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STATE BOARD
OF EQUALIZATION
1020 N Street
Sacramento
California 95814

BOARD MEMBERS
William M. Bennett
Kentfield
First District

Conway H. Collis
Los Angeles
Second District

Ernest J. Dronenburg, Jr.
San Diego
Third District

Paul Carpenter
Los Angeles
Fourth District

Gray Davis
Sacramento
State Controller

Cindy Rambo
Executive Director

ANNUAL REPORT

1987/1988

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Fiscal Year Ended June 30, 1988

Photo/Art Courtesy of:

Pages 23, 25, 27 — California Energy Commission
Page 29 — Ron Watt, Department of Parks and Recreation
Page 31 — New York Stock Exchange
Pages 38, 40 — Department of Industrial Relations
Page 45 — California State Library

December 31, 1988

The Honorable George Deukmejian
Governor of California

Dear Governor Deukmejian:

It is a pleasure to submit the 138th annual report for the State Board of Equalization covering the period between July 1, 1987 and June 30, 1988.

This year's report, in addition to focusing on the Board's revenue programs, also examines our accomplishments in the areas of taxpayer outreach and education.

In March the Board adopted a mission statement which, for the first time, recognizes that the agency has a two-fold mission. It is responsible not only for collecting tax revenues but also for helping taxpayers understand applicable laws and regulations. The mission statement recognizes that the responsibility for assuring accurate tax reporting is one shared by the Board and the taxpayer. As a result, the Board has become more aggressive in identifying and addressing those areas which are confusing to taxpayers and has initiated many program improvements to make the tax reporting process simpler for those we serve.

We hope that this document serves as evidence that the State Board of Equalization has not lost sight of its highest charge — to serve the people of the State of California.

Most Respectfully,

Cindy Rambo

Cindy Rambo, Executive Director
State Board of Equalization

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PROFILE

INTRODUCTION

The tax programs administered by the Board of Equalization affect virtually every aspect of commerce and government in California.

There are nearly 900,000 businesses in the state which are registered with the Board and pay sales and use, liquor, cigarette, fuel , and other taxes on a regular basis. During the year, these taxes, combined with other Board-administered fees, produced more than $18 billion in revenue for state and local governments, up by $1.1 billion over 1986/87.

"The tax programs administered by the Board of Equalization affect virtually every aspect of commerce and government in California."

These businesses, as well as some 4.5 million homeowners, are indirectly affected by the Board since the Board is also required to evaluate and monitor the assessment practices that are used statewide to determine property values for the collection of local property taxes.

In addition, more than 300 privately owned public utilities are affected by the Board of Equalization since each year it is required to determine their assessed values which are used by counties for the collection of local property taxes.

In 1987/88 California's 58 counties collected more than $12 billion in property taxes, including $725 million derived from the value of public utility companies.

Hundreds of government programs, both at the state and local level, depend on Board-administered revenues.

The largest revenue source, the statewide sales and use tax, last year accounted for more than $15.4 billion dollars in income, representing nearly 86 percent of the Board's total tax collection. The remaining 11 tax programs administered by the Board provided an additional $2.6 billion in revenues.

The state's portion of sales and use tax revenues make up more than thirty-six percent of the state's general fund. The legislature draws from this fund to support numerous government programs and services — such as schools and colleges, hospitals and health care services, criminal justice, correctional programs for youths and adults, social welfare programs, law enforcement, consumer services, resources management, and transportation and housing.

Besides supporting the state's general fund, a portion of the total sales and use tax revenue is returned to cities, counties, and districts for specific programs or general operations. Last year the Board returned more than $3.7 billion to local governments.

BACKGROUND

Board Origins

The Board of Equalization was created in 1879 by a constitutional amendment which charged the Board with responsibility for assuring that county property tax assessment practices were "equal and uniform" throughout the state. That function gave the Board its name, which has never fully described its many duties and responsibilities.

In 1911 voters approved another constitutional amendment which directed the Board to assess four new taxes, including corporation franchise taxes and insurance taxes. The Board was only thirty years old at the time, but its new duties represented only the beginning of many changes that would follow.

By far, the most significant change was the creation of the sales tax in 1933 — a tax created to offset the tremendous drop in property tax revenues brought on by the Great Depression. The use tax, which was created to protect California business from tax-free out-of-state competition, was established in 1935.

A chronology of the tax programs administered by the Board (some of which have been discontinued or transferred to other government agencies) is provided in the Appendix.

Board Members

The constitutional amendment which established the Board of Equalization in 1879 also provided that it would be managed by a five-member elected board. Four of the Members are elected directly from constitutionally defined districts within the state (see adjoining map). Each district represents approximately 7 million residents. The fifth Member, the State Controller, is elected at-large and serves in an *ex officio* capacity.

The term of office for each board Member is four years, and all Members serve for the same four-year period. The next election of Members will occur in the November 1990 General Election, with each Member assuming office in the first week of January 1991.

Board Responsibilities

The primary responsibilities of the Board are to (1) adopt rules and regulations that clarify the laws it administers, and (2) act as an appellate body for the review of property, business, and income tax determinations.

Equalization Districts

Counties Represented (by District)

1
Alameda
Alpine
Amador
Butte
Calaveras
Colusa
Contra Costa
Del Norte
El Dorado
Glenn
Humboldt
Lake
Lassen
Marin
Mendocino
Modoc
Napa
Nevada
Placer
Plumas
Sacramento
Santa Clara
Shasta
Sierra
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity
Tuolumne
Yolo
Yuba

2
Fresno
Kings
Los Angeles (Western and San Fernando Valley portions)
Madera
Mariposa
Merced
Monterey
San Benito
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Cruz
Stanislaus
Tulare
Ventura

3
Imperial
Inyo
Kern
Mono
Orange
Riverside
San Bernardino
San Diego

4
Los Angeles (Southern and Central portion)

A brief summary of the Board's responsibilities is given below:

The Board:

- considers petitions for redetermination of business tax matters and the appeals of insurance companies under the Insurance Tax Law
- considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries
- serves as the appellate body in final actions of the Franchise Tax Board, for the state's Bank and Corporation Franchise Tax, the Personal Income Tax, and the Senior Citizens Property Tax Assistance Laws
- develops and adopts capitalization rates to be used in the valuation of state-assessed utilities
- classifies unitary and nonunitary properties of public utilities and determines the property values of each assessee for local property taxation
- sets the electrical energy surcharge rate
- fixes the 911 emergency telephone users surcharge rate determined by the Department of General Services
- adopts rules and regulations
- issues directives for the guidance of taxpayers, county assessors, and county assessment appeals boards
- studies the operations of individual county assessor offices to determine their effectiveness
- prescribes property tax forms and publishes handbooks for the assessors' use
- publishes a law guide and a series of advisory tax publications which offer guidance to specific types of businesses to help them comply with tax law requirements
- publishes a Property Taxes Law Guide for use by county officials and taxpayers in administering the property tax laws.

Meetings

The Board holds public meetings throughout the year — approximately 2-3 weeks apart. At least 12 meetings are held in Sacramento, with other meetings held as necessary in other California cities. In 1987/88 the Board met in Sacramento, Los Angeles, San Francisco, Long Beach, San Diego, Carson, and Santa Monica.

Since the rules and regulations adopted by the Board affect taxpayers in all types of business, the Board actively encourages public participation in their formulation.

YEAR IN REVIEW

HIGHLIGHTS

"The dual mission of the State Board of Equalization in the administration and collection of taxes is:

• to provide informative and responsive services to the taxpayer

• to provide fair, firm and uniform treatment of the taxpayer

and to perform these functions with quality and efficiency."

Mission Statement

In 1988 the Board adopted a mission statement that clearly underscores its commitment to providing service to taxpayers in addition to carrying out the enforcement activities involved in the collection of taxes.

This mission statement, which will serve as a platform for the development of agency goals, affirms for the first time the importance of taking a proactive role in educating taxpayers and helping them comply with the law.

In conformity to its new mission statement, the Board will be working to improve its communications outreach to taxpayers through formal employer and employee training programs, improved publications, improved distribution of informational material, and the use of other media. These changes are only a few of the many that are anticipated in the area of taxpayer outreach.

The Board also initiated a Strategic Planning Process which is designed to identify the specific actions that are needed to carry out the goals of the mission statement.

The Strategic Plan, which will help guide the Board for several years, will not only be committed to enhancing taxpayer services. It will also be committed to improving the Board's ability to respond to change and preserving the efficiency of its operations.

Cindy Rambo

New Executive Director

Board Members appointed Cindy Rambo of Norman, Oklahoma, to assume the top leadership post for the agency beginning in February of 1988. Ms. Rambo, who is the first woman to hold the position of Executive Director, brings with her an extensive background in public administration. She served as Chair of the Oklahoma Tax Commission and oversaw a major reorganization of that agency's administrative structure and set statewide policy regarding the administration of state tax law. Before that she served for six years as Executive Director of the Oklahoma Department of Economic and Community Affairs.

Ms. Rambo has been an active public spokesperson on such issues as child welfare, mental health, juvenile justice, sex equity, and the needs of persons with hardships. She has participated in several senior executive programs and has served on numerous national task forces and committees.

Listed in "Who's Who of American Women," Ms. Rambo served in Oklahoma as the governor's Cabinet Secretary and as an administrative assistant to the governor. She is the recipient of many honors which recognize her contribution to local, state, and national issues.

Other Key Appointments

Deputy Director Administration

Allan K. Stuckey was appointed Deputy Director, Administration, on October 17, 1987. In this capacity he directs the activities of the administration division and is responsible for directing the preparation and implementation of the agency's $155 million annual budget.

Allan Stuckey

Prior to coming to the Board of Equalization he worked for the Department of Justice for six years and the Commission on Peace Officers Standards and Training for two years. He was Chief of the Board's Management Analysis Section for eight years and helped establish the Labor Relations and Legislative Units.

Judy Agan

Deputy Director Business Taxes

Judy Agan was appointed Deputy Director, Business Taxes, succeeding J.D. Dotson, who retired after a 37-year career with the Board. The Deputy Director is the highest manager level within the Business Taxes Department of the Board.

She joined the Department of Finance in 1969 as a management auditor. For the two years preceding her appointment to Deputy Director she had been Chief of Legislation, Intergovernmental Relations, and Collective Bargaining.for the Department of Finance.

Since 1978 she has served as Director of the Golden One Credit Union, the nation's 13th largest.

Affirmative Action

The Board continues to pursue an active affirmative action program. Although full parity has yet to be achieved, significant gains have been made.

The Board had one of the highest rates for hiring Hispanic employees and met its goal of hiring 20 employees with disabilities. With more women employed in non-clerical positions, that group is now underrepresented by only one position.

Taxpayer Services

• *District Offices*

The Board provides service and assistance to the state's 900,000 registered businesses through 56 field offices conveniently located throughout the state. The Board also maintains offices in New York, Chicago, Houston, and Sacramento for taxpayers who do business in California but whose records or headquarters are located in other states.

Staff in these offices help taxpayers register with the Board and provide advice on the reporting of taxes. They also provide forms and publications that apply to the taxpayer's business. Last year, more than half a million taxpayers visited the district offices for help with business tax problems.

In April the Board opened its newest office in Laguna Hills to serve nearly 26,000 businesses in southern Orange County, and in June the Ventura Office was expanded to assume its new role as the regional office for six central coastal counties.

Taxpayers are not only helped by staff through telephone contacts and office visits. District auditors also provide help by explaining pertinent laws and regulations at the time of an audit.

Creation of Legislative Unit

In October 1987 a new Legislative Unit began operations. The unit centralizes what had previously been a diffuse operation, where bills were sent to subject-matter experts who provided input on the impact of proposed legislation. Many of these experts are now placed in the Legislative Unit, where they not only provide information in their specialty areas but work with other staff to complete analyses for the hundreds of measures that are introduced each year.

Trends in District/Transit Taxes

In November 1987 San Diego County voters approved the creation of the San Diego County Regional Transportation Commission, bringing to nine the number of special tax districts in the state. The new district took effect on April 1, 1988.

In the June 1988 election voters approved four more special transactions tax districts. Voters in San Benito and San Mateo counties approved traditional transit taxes for funding transportation improvements, and Inyo County voters approved a tax to fund general county programs. San Diego County voters approved a transactions tax to fund criminal justice facilities.

The one-half percent tax increase became effective on October 1, 1988, in Inyo County and January 1, 1989, in San Benito County, bringing the total state, local and county sales, use and transactions tax to 6.5 percent in these counties. The tax increases in San Mateo and San Diego Counties became effective on January 1, 1989, and will bring the tax rate to 7 percent in these counties.

Definition of "engaged in business" expanded

The definition of "engaged in business in this state" was expanded by legislation passed this year. It now includes

- retailers soliciting orders for personal property by means of a telecommunication or television shopping system
- retailers contracting with a broadcaster or publisher in California to produce advertising disseminated primarily to California customers and secondarily to bordering jurisdictions
- retailers soliciting orders by mail if solicitations are substantial and recurring and retailers benefit from various other activities in California
- retailers owned or controlled by retailers engaged in business in California
- retailers having franchisees or licensees operating under their trade name if the franchisee or licensee is required to collect tax.

As of January 1, 1988, these retailers, though physically located outside of California, are responsible for collecting the use tax on sales of goods shipped to California consumers.

This legislation, while addressing technological advances in marketing and solicitation, further protects California retailers from an unfair competitive advantage.

New computerized audit management system installed

In a move to improve the operations of the Business Taxes Department, the Board's audit control system was converted from a manual to an automated system. This change will greatly improve the Board's ability to integrate audit information with other data bases and to access information on a "real time" basis.

Appeals Cases

Last year the Board heard more than 586 appeals cases. Two hundred and sixty-six were tax appeals involving Franchise Tax Board determinations, and the balance involved Board of Equalization determinations.

Audits/Collections

Approximately 3 percent of the Board's active accounts are audited in any one year. This work is performed by 768 auditors engaged in field auditing; 646 are assigned to the California field offices, and 122 to the Board's out-of-state audit offices.

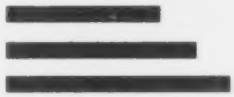
During 1987/88 the Board recovered more than $172.6 million in delinquent taxes.

Cooperative enforcement effort: Board joins with optometrists

In a survey conducted by audit staff, it was found that many out-of-state suppliers of vision-related items were not collecting the California Use Tax on sales to their California customers (ophthalmologists, optometrists, and dispensing opticians). Members of the eye care profession and Board staff agreed to embark on an informational program in which eye care providers were asked to report their use tax liability voluntarily. The voluntary reporting program has been extremely successful.

In addition, many eye care professionals informed their out-of-state vision care suppliers of their desire to pay the use tax to them, rather than directly to the Board. As a result, many of these suppliers have now registered with the Board to collect this tax.

At-a-Glance



As of June 30

Business Tax Revenues

1986	$15.4 billion
1987	$16.2 billion
1988	$17.3 billion

Revenues to State General Fund

1986	$11.4 billion
1987	$12.2 billion
1988	$13.1 billion

Registered Sellers Permits

1986	841,630
1987	867,132
1988	880,216

Total Taxable Assessed Property Values
(including homeowners' exemptions)

1987	$1.06 trillion
1988	$1.17 trillion
1989	$1.28 trillion

Sales and Use Tax Revenues

1986	$13.61 billion
1987	$14.37 billion
1988	$15.48 billion

Taxable Sales

1986	$211.8 billion
1987	$224.2 billion
1988	$241.3 billion

Board-Administered Revenues

(000 omitted)

Program	Revenues	Fund/Services
Sales and Use Tax		
• State (4.75%)	$11,663,971	State General Fund.
• Local (1.25%) (cities, counties, redevelopment agencies)	3,059,442	General operations/ redevelopment programs.
• Special Districts (1/2%)	760,066	Transportation or general operations.
Fuel Taxes		
• Motor Vehicle Fuel License Tax	1,161,198	Construction and maintenance of public roads and mass transit systems.
• Use Fuel Tax (diesel and other motor fuels)	147,616	
Alcoholic Beverage Tax	128,734	State General Fund.
Cigarette Tax	250,572	30 percent to city and county governments. 70 percent to State General Fund.
Energy Resources Surcharge	36,942	California Energy Commission. Funds used for energy-related programs.
Emergency Telephone Users Surcharge	40,532	Cities, counties, local entities for emergency telephone systems.
Hazardous Waste Programs		
• Annual Facilities and Generator Fees	35,909	Department of Health Services toxics programs.
• Hazardous Substance Tax	15,441	Superfund for the cleanup of toxic spills and abandoned dumpsites.
Property Taxes		
• State-assessed properties.†	724,544	Local government general operations.
• Timber Tax	18,091	Local government general operations.
• Private Railroad Car Tax	2,571	State General Fund.

†County-assessed local property taxes collected by California's 58 counties exceeded $12.2 billion.

Tax Programs

Business Taxes

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PROGRAMS DEFINED

Business Taxes

The business taxes administered by the Board are state and local taxes which deal with various types of businesses or some aspect of commerce, as distinguished from property and income taxes.

The Board currently administers eleven business tax programs. In 1987/88 these programs generated $17.31 billion in revenues. The cost of administering these programs averaged 75 cents for each $100 collected.

Additional information on each revenue program can be found in the Appendix.

Sales and Use Tax

A sales tax is imposed on retailers who sell tangible personal property in the state.

A use tax is collected for the storage, use, or other consumption of tangible personal property in this state if the property has been purchased from a retailer and has not been subject to the sales tax. Normally, the use tax rather than the sales tax applies if the property purchased is shipped from out-of-state to a California consumer.

The rate for both taxes is the same.

There are numerous exemptions from the sales and use tax. The most common of these include the exemption of food for human consumption (other than hot prepared food), prescription medicine, newspapers and periodicals, and sales made in interstate commerce. The major type of transaction which is exempt from taxation is the sale for resale (wholesale).

There are three levels of government which receive sales and use tax revenues:

- state government
- cities, counties, and redevelopment agencies
- special districts.

State Sales and Use Tax

The state sales tax was created by the legislature in 1933 to offset the huge drop in revenues brought on by the Great Depression. The use tax, which followed in 1935, was established to protect California retailers from unfair, tax-free out-of-state competition.

The state sales and use tax rate has been at 4.75 percent since April 1, 1974. It is collected simultaneously with the 1.25 percent city and county sales and use tax, bringing the statewide uniform sales and use tax rate to 6 percent. With the addition of special district taxes (explained below), some counties have combined rates of 6.5 or 7 percent.

During Fiscal Year 1987/88 revenues from the state sales and use tax totaled $11.66 billion, an increase of 7.0 percent from the previous year.

City and County Sales and Use Tax

Cities and Counties

Prior to 1955 cities and counties in the state had locally ad-

"In 1987/88 the Board's business tax programs generated more than $17 billion in revenues for state and local governments. The cost of administering these programs averaged 75 cents for each $100 collected."

ministered sales tax ordinances with varying rates and exemptions. In 1955 the legislature passed the Bradley-Burns Uniform Local Sales and Use Tax Law. This law authorized the Board of Equalization to collect a one percent sales and use tax for cities and counties.

By 1967 all cities and counties in the state had contracted with the Board for collection of the tax, thus equalizing the local sales and use tax rate statewide.

The law currently allows counties to impose a 1.25 percent rate and cities to impose a rate of up to one percent. The city sales and use tax rate is credited against the county rate so that the combined rate does not exceed 1.25 percent.

Four newly incorporated cities joined the program during the year:

- Highland
- Mission Viejo
- Santa Clarita
- Twentynine Palms.

In 1987/88 the Board returned $3,022,547,000 in local sales and use tax revenues to 58 counties and 447 cities.

Redevelopment Agencies

In 1981, cities were authorized to finance redevelopment projects by channeling sales and use tax revenue to these projects.

These projects receive a portion of the city's sales and use tax according to an agreed-upon percentage. The Board allocates this money, identified by an area code, directly to the redevelopment agency.

As of June 30, 1988, there were seven redevelopment projects in California receiving sales and use tax revenues:

- four in Huntington Park
- one in Irwindale
- one in Alhambra (added in 1987/88)
- one in Colton (added in 1987/88).

In 1987/88 the Board distributed $6,088,000 in local tax revenues to these seven projects.

District Transactions (Sales) and Use Tax

Voters in several counties have approved an additional 1/2 percent transactions (sales) and use tax for special districts. The first such tax was approved in 1970 for the San Francisco Bay Area Rapid Transit District (BART) in order to pay off bonds and notes issued for construction of the BART system.

Several other transportation districts have been approved since 1970. By June 30, 1988, there were nine special districts in the state receiving special sales and use tax revenues. These revenues are generally used for construction and maintenance, support for other public transportation projects, and highway construction and improvement.

The provisions of the Transactions and Use Tax Law are similar to those of the Local Sales and Use Tax Law. There are some important exceptions, however:

- The transactions tax does not apply to sales of property made to purchasers for use outside the district if it is shipped to a point outside the district. The obligation to collect the tax is generally limited to retailers engaged in business in the district or making deliveries into the district.
- As of January 1, 1988, all retailers of registered vehicles , licensed aircraft and undocumented vessels are required to collect the district tax if the buyer registers the item in a special district.

During the fiscal year two counties had a combined rate of seven percent. Alameda County is a part of the multi-

Special Districts • 1987/88 Revenues

Name	Effective Date	Revenues
Alameda County Transportation Authority	April 1, 1987	$48,273,036
Fresno County Transportation Authority	July 1, 1987	$16,671,840
Los Angeles County Transportation Commission	January 1, 1982	$348,229,070
San Diego County Regional Transportation Commission	April 1, 1988	$5,614,900
San Francisco Bay Area Rapid Transit District	April 1, 1970	$121,729,987
San Mateo County Transit District	July 1, 1982	$31,541,129
Santa Clara County Traffic Authority	April 1, 1985	$76,084,287
Santa Clara County Transit District	October 1, 1976	$78,289,288
Santa Cruz Metropolitan Transit District	January 1, 1979	$8,971,284

county BART District and also has its own transportation commission. Santa Clara County has both a transportation authority and a transit district.

With nearly 60 percent of all sales tax permits registered within special districts, more than half of California's residents pay a sales and use tax rate of 6.5 or 7 percent.

In the June 1988 election, four more special tax districts were approved. Voters in San Benito and San Mateo counties approved traditional transit taxes for funding transportation improvements. Inyo County voters, however, approved a tax to fund general county programs, while San Diego County voters approved a transactions tax which will fund criminal justice facilities. The four new districts will take effect in Fiscal Year 1988/89.

In 1987/88 the Board returned $735.4 million to transit districts.

The Motor Vehicle License Tax (gasoline) raises more than $1 billion annually for highways and mass transit projects.

Motor Vehicle Fuel License Tax

(Gasoline and Aircraft Fuel)

Gasoline

The motor vehicle fuel license tax applied to gasoline is a major source of revenue for the state. Revenues from this tax are used to construct and maintain public roads and mass transit systems. The current rate of tax on gasoline is 9 cents per gallon.

The motor vehicle fuel license tax is imposed on the first distribution of gasoline in California. This generally means that the tax is collected by distributors when the gasoline is first sold in this state, usually after the gasoline has been imported into California or refined from crude oil.

Motor vehicle fuel license tax collections for 1987/88 totaled $1,160,099,000 on the distribution of 12.8 billion gallons of gasoline.

Aircraft Fuel

Sales of jet fuel in California to a jet fuel user are subject to the aircraft jet fuel tax which is currently 2 cents per gallon.

A jet fuel user is a person who operates a jet aircraft in California. There are exemptions for sales to common carriers, the armed forces of the United States, and certain other purchasers.

Aircraft fuel tax collections for the year totaled $1,099,000 on the distribution of 46.4 million gallons of fuel.

See the Economic Analysis section of this report for more information on gasoline and jet fuel usage trends.

Use Fuel Tax –

The use fuel tax is imposed upon the use of diesel, propane, and other fuels to operate motor vehicles.

As of June 30, 1988, the tax rate was:

- 9 cents per gallon of diesel and similar fuels
- 6 cents per gallon of liquefied petroleum gas, liquefied natural gas, or compressed natural gas
- 7 cents per 100 cubic feet of compressed natural gas
- 4.5 cents per gallon of ethanol and methanol containing not more than 15 percent gasoline or diesel fuels.

The Use Fuel Tax does not apply to:

- fuels such as gasoline and gasohol, which are taxed under the Motor Vehicle Fuel License Tax Law
- fuel used for purposes other than to drive a motor vehicle on public roads
- fuel used in certain motor vehicles operated off the highway
- fuel used in farm and construction vehicles exempt from registration.

Fuel used by local school districts and certain bus operators is exempt from all but a one-cent-per-gallon tax.

The owner or operator of a vehicle propelled by a system using liquid petroleum gas or liquid natural gas may pay an annual flat rate based on the type or weight of the vehicle instead of the tax per gallon.

Fiscal year 1987/88 saw a total of $147,616,000 collected in use fuel tax from 80,289 "user" and 3,242 "vendor" use fuel tax permit holders.

Alcoholic Beverage Tax

The Alcoholic Beverage Tax is an excise tax collected on the sale, distribution, or importation of alcoholic beverages in California.

The Board acts in conjunction with the Department of Alcoholic Beverage Control in the licensing of distributors and the taxation of alcoholic beverages. All persons selling, manufacturing, or importing alcoholic beverages in California must register with the Department of Alcoholic Beverage Control to do business in this state. These licensees are automatically registered as taxpayers by the Board of Equalization for excise tax purposes.

The Board of Equalization has been administering the excise taxes on alcoholic beverages since 1933 and processes all alcoholic beverage tax determinations, redeterminations, and refunds.

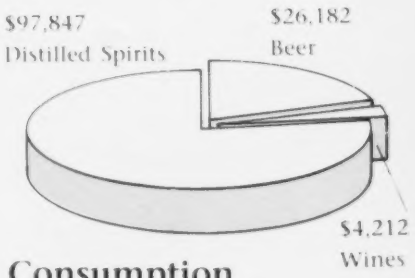
The following tax rates apply:

- **distilled spirits**
  $2 per gallon (100 proof or less)
  $4 per gallon (over 100 proof)
- **beer**
  4 cents per gallon
- **wine**
  1 cent per gallon (14 percent or less alcohol)
  2 cents per gallon (over 14 percent alcohol)
- **champagne and sparkling wine**
  30 cents per gallon
- **sparkling hard cider**
  2 cents per gallon

Alchoholic Beverage Tax

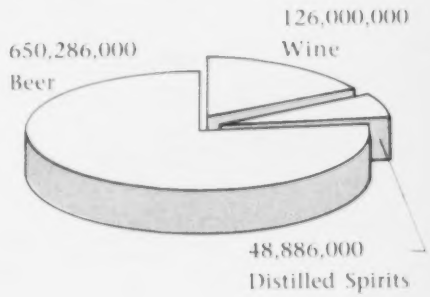
Revenues

(000 omitted)



Consumption

(In Gallons)



Beer and wine product sales in California continue to increase, while distilled spirits sales have continued to decrease, resulting in a decline in revenues from the alcoholic beverage tax.

All revenue collected from these taxes is deposited in the Alcoholic Beverage Tax Fund. Revenues for 1987/88 totaled $128,241,000.

Cigarette Tax

Every cigarette in California, before it is sold, is taxed at the rate of 5 mills, or $0.005 for each cigarette.

The tax is paid through the sale of tax stamps to cigarette distributors. (Stamps are available from banks which have contracted with the Board. Licensed distributors are allowed a discount of 0.85 percent of the value of the stamps.)

Sales of cigarettes by manufacturers to distributors are exempt, as are sales by original importers to a licensed distributor when the cigarettes are manufactured outside of the United States.

Thirty percent of the revenue collected under this tax program is allocated to city and county governments by a formula based partly on population and partly on distributions of city and county sales and use tax revenues.

Cigarette tax revenues during 1987/88 totaled $250,572,000, with local governments receiving $75,172,000.

In the last decade, the yearly per capita consumption of cigarettes has decreased from 129.4 packages in 1977/78 to 94.3 packages in 1987/88.

Insurance Tax

Insurance companies conducting business in California are assessed an insurance tax based upon their California gross premiums. Ocean marine insurance, while excluded from the taxation on gross premiums, is taxed on underwriting profits.

The insurance tax is levied against insurance companies in lieu of all other taxes except license fees and real estate taxes. Out-of-state insurers are assessed an additional tax if the tax rate in their home state is higher than in California.

The Board of Equalization, the State Controller, and the Department of Insurance jointly administer this tax. The Board issues all tax assessments based on information it receives from the Department of Insurance. The present rate on nonqualified premiums is 2.35 percent.

Insurance tax assessments on 1987 business totaled $1,158,321,000, a 14.8 percent increase over assessments made on 1986 business.

Energy Resources Surcharge

The Energy Resources Surcharge is based on the consumption of electrical energy. Revenues are placed in the Energy Resources Programs Account to be used for ongoing energy programs and energy projects, including the State Energy Resources Conservation and Development Commission.

This tax is imposed at the rate of two-tenths of a mill (0.0002) per kilowatt hour. It is collected from consumers and paid to the Board by the 52 electric utilities operating in California. There are also 28 public institutions, water districts, and irrigation districts which remit the surcharge to the Board for energy purchased directly from the federal government.

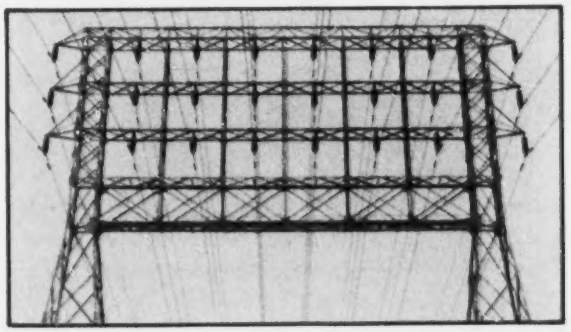
Energy surcharge collections during 1987/88 totaled $36,942,000.

Emergency Telephone Users Surcharge

The Emergency Telephone Users Surcharge provides funds for counties, cities, and other local entities to implement and operate an emergency telephone system.

The "911" emergency telephone system allows persons to call from anywhere in the state for police, fire, medical, and rescue assistance.

During 1987/88 the surcharge was imposed at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every telephone service supplier is



required to collect the surcharge from the service user at the time billing for the service is collected.

Collections for the year totaled $40,532,000.

Moore Universal Telephone Service Act

The Universal Telephone Service Act was designed to meet minimum residential communications needs for those who could not afford the cost. Full responsibility for this program was transferred to the Public Utilities Commission on July 16, 1987.

The tax was set at 4 percent of gross revenues for the fiscal year. The Board collected $11,705,000 during the period from July 1, 1987 to July 15, 1987.

Hazardous Waste Tax Programs

The Board of Equalization and the Department of Health Services jointly develop, implement, and administer hazardous waste programs which are designed to:

- promote the reduction, treatment, and recycling of hazardous waste, and
- develop land disposal methods for residuals of hazardous waste recycling and treatment activity.

The Board administers three hazardous waste programs.

Annual Facilities and Generator Fees

Facility Fees

An annual facility fee is collected from operators of specified hazardous waste facilities. These facilities, which are licensed by the Department of Health Services, are used to store, treat, or dispose of hazardous wastes. The fee is based on the size of the facility.

"Each $1 million of hazardous substance tax revenues is matched by $9 million from the federal government's Superfund."

Facility fees collected for 1987/88 totaled $7,864,220.

Generator Fees

An annual fee is also collected from generators of hazardous waste. "Generator" means a person who generates volumes of hazardous waste at an individual site and who does not own or operate a hazardous waste facility at the same site. The amount of the fee is based upon the total amount of hazardous waste generated regardless of its final disposition.

Generator fees collected for 1987/88 totaled $10,828,248.

Hazardous Waste Tax

The "hazardous waste tax" is imposed upon generators of hazardous waste in the state, who dispose of these wastes on or into the land. In some cases the facilities receiving hazardous waste may be liable for the tax. Revenues obtained from this tax are deposited in the hazardous waste control account.

The base tax rate for fiscal year 1987/88 was $36.13 per ton. All other tax rates were percentages of this, ranging from $1.81 per ton up to $72.26 per ton, depending on the waste category and method of disposal.

Under the Hazardous Waste Tax Law, waste generated in this state but disposed of out-of-state is taxable at the rate of $18.07 per ton. This tax is paid to the Board on a quarterly or semi-annual basis.

The total hazardous waste tax collected during 1987/88 was $17,216,477.

Hazardous Substance Tax

The Hazardous Substance Tax supports the state's "superfund" used for the cleanup of toxic spills and abandoned dump sites.

Superfund revenues are raised through a tax collected from generators of hazardous wastes *who dispose of these wastes on or into land in the state.* Each $1 million of hazardous substance tax revenue is matched by $9 million from the federal government's Superfund.

The tax rate is based on the method of disposal which is used. For Fiscal Year 1987/88, the base rate (landfill disposals) was set at $41.99 per ton. All other categories of disposal were calculated by using a percentage of the base rate.

Certain categories of disposal are targeted with lower tax rates to encourage methods which are ecologically sound.

Each generator of hazardous waste is required to register with the Board and to file an annual report by March 1, detailing the hazardous wastes

disposed of during the preceding year.

A total of $15,441,083 in hazardous substance tax was collected for fiscal year 1987-88.

Property Taxes

Last year the state's 58 counties collected more than $12 billion in property tax revenues. Although the Board of Equalization does not directly collect these taxes, it does oversee the assessment standards and practices of each county assessor.

The Board directly assesses the property of more than 300 privately owned public utilities. These state-assessed values are used by counties to collect local property taxes.

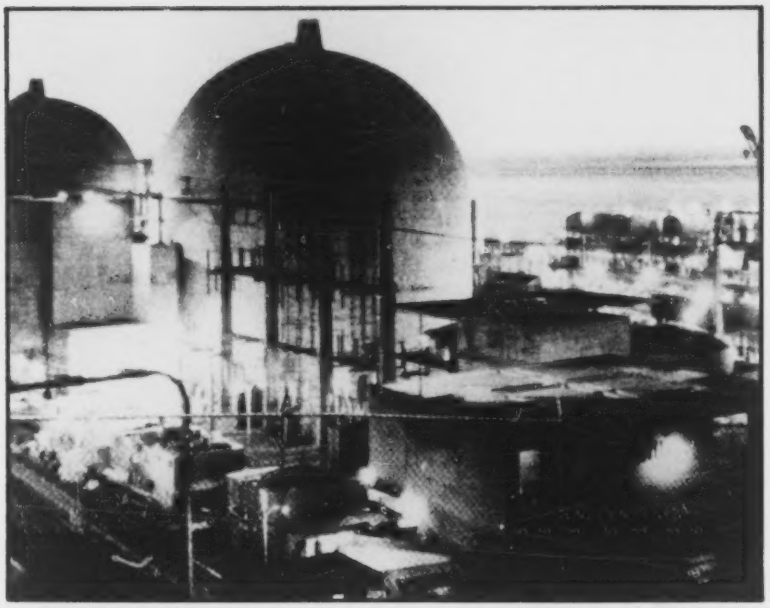
In addition, the Board administers the Timber Yield Tax and the Private Railroad Car Tax.

Information on the administrative responsibilities of the Assessment Standards, Valuation, and Timber Tax divisions can be found in the Operations section of this report.

General Property Tax

The table on the next page summarizes local property tax activity since Fiscal Year 1978/79. The figures indicate that county property tax revenues have increased at an average annual rate of 9.0 percent in the last three fiscal years.

The passage of Proposition 13 in 1978 drastically altered the way in which properties were assessed for tax purposes. This amendment limits the property tax to one percent of taxable value and places a cap of no more than two percent on annual increases. It allows real property to be appraised at its current market value if there is a change in ownership or new construction.



State-assessed properties will yield approximately $765 million in local property tax revenues in 1988/89.

As a result of the passage of Proposition 13, county property tax revenues fell by 52 percent in one year, falling from $10.3 billion dollars in 1977/78 to $5.04 billion in 1978/79. Fiscal Year 1986/87 marked the first year in which property tax revenues exceeded those collected before the passage of Proposition 13.

State-Assessed Properties

Although most property appraisals are made by county assessors, some properties are appraised by the Board of Equalization. The values adopted by the Board for these state-assessed properties are used by the counties for the collection of local property taxes.

The total value of the state-assessed roll for 1988/89 is $71.1 billion — up 5.7 percent from the previous year. This roll will generate approximately $765 million in local property tax revenues for the state's 58 counties.

The following properties are assessed by the state:

- pipelines, flumes, canals, ditches and aqueducts lying within two or more counties
- property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, or railroad car companies whose cars are used on railways within the state
- property owned by companies transmitting or selling gas or electricity within the state.

Property values on the state-assessed roll are allocated by the Board to the counties where the property is physically lo-

cated. The counties are required to tax the state-assessed property within their jurisdiction at the same rate as locally assessed property — approximately 1 percent of assessed value plus a small amount for outstanding bonded indebtedness. (Beginning in 1988/89, operating properties of state assessees will be taxed at the prior year's county-wide average tax rates.)

When preparing value indicators, the Valuation Division staff usually provides the Board with three indicators of value: historical cost less depreciation, income, and stock and debt. The staff also provides the Board with replacement cost figures and, in some cases, figures derived from comparative sales or salvage value analyses.

During the year, the Valuation Division staff prepared estimates of market value for 310 state assessees:

- 13 gas and electric companies
- 236 telephone companies (including radio and cellular telephone companies)
- 32 pipelines, and
- 29 railroads.

See the Appendix for assessed values of individual utility companies.

Change in Railroad Assessments

The Board's appraisal methodology and the level of assessments of rail transportation properties have been under long-term federal litigation based on the Federal Railroad Revitalization and Regulatory Reform Act (4R Act).

On April 28, 1987, the United States Supreme Court in Burlington Northern Railroad Company v. Oklahoma Tax Commission decided that the federal courts are empowered to hear and decide valuation issues. As a result, California cases pending in the Federal Circuit Court of Appeal will now return to the federal district court for implementation and resolution of the issue concerning the assessment ratio to be applied to each of the years involved. The outcome of these cases will have a significant impact on the level of assessments of rail transportation properties.

For 1988/89, the Board applied a 68 percent assessment ratio to the value of all rail transportation property in an effort to remove the equalization issue from possible petitions for reassessment and eliminate further costly litigation.

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1978–79 to 1988–89

	Assessed Values[a]				*Property Tax levies*[b]			
Fiscal Year	*Gross (000 omitted)*	*Annual Change As %*	*Net Taxable*[c] *(000 omitted)*	*Annual Change As %*	*Amount (000 omitted)*	*Annual Change As %*	*Nominal Average Property Tax Rate*[d] *(in percent)*	*Property Tax Relief*[c] *(000 omitted)*
1978–79	119,542,405	9.3	105,547,349	9.6	5,035,896	−52.2	4.79	786,858
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	6,360,276	12.4	4.63	1,337,588
1981–82	672,280,561[f]	13.6[f]	628,789,188[f]	14.2[f]	7,185,005	13.0	1.144[f]	1,314,372
1982–83	752,571,724	11.9	707,690,851	12.6	8,007,037	11.4	1.131	1,347,377
1983–84	814,164,230	8.2	767,806,601	8.5	8,634,771	7.8	1.126	1,129,181
1984–85	897,322,118	10.2	848,937,474	10.6	9,437,483	9.3	1.113	946,929
1985–86	988,036,052	10.1	938,411,637	10.5	10,274,050	8.9	1.096	918,059
1986–87	1,080,081,614	9.3	1,027,995,266	9.5	11,125,581	8.3	1.083	919,487
1987–88	1,189,222,599	10.1	1,133,835,180	10.3	12,203,544	9.7	1.078	919,782
1988–89	1,301,461,244	9.4	1,243,762,796	9.7	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which exemption claims are required (except cemeteries) and the exempt value of business inventories prior to 1980–81 when such property became totally exempt (see footnote e); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4–17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' tax assistance and special supplemental subventions. During 1987–88 the state allocated the following amounts to local governments to cover these: homeowners, $344,221,294; renters, $471,855,819; open-space lands, $14,047,226; senior citizens total, $32,766,118 (property tax assistance, $11,651,790 and renters' tax relief, $21,116,328); special supplemental subventions, $56,756,710 and other, $132,593. These amounts total $919,781,760. Reimbursements for the exemption of business inventories were eliminated beginning in 1984–85.

[d] Property tax levies divided by assessed values representing varying percentages of market value. Beginning with 1978–79 an effective tax rate computed by dividing property tax levies by the estimated market value of net taxable properties can no longer be calculated, since assessed values are not based on market values.

[e] The growth in net taxable valuation was sharply reduced by the homeowners' exemption ($750 of assessed value from 1968–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; 50% from 1974–75 to 1979–80; and 100% beginning in 1980–81). For 1988–89, the homeowners' exemption accounted for $31,753,571,000 of assessed value.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date of 1981–82. The percent change was computed after factoring the 1980–81 valuations to 100 percent of value.

n.a. Not Available

Timber Tax

The Board has administered the Timber Yield Tax Program since 1977. The tax is self-assessed by timber owners who determine their tax liability based upon a "harvest value schedule" which is prepared twice a year by the Board.

The yield tax rate has been 2.9 percent since 1983. This rate is reviewed in December of each year and is adjusted if necessary to reflect changes in the average tax rate of timber counties.

At the end of the 1987/88 fiscal year there were nearly 1600 active California timber owners registered with the Board, compared to nearly 1800 in the previous year.

The total tax collected from these owners was $17 million based on a total timber harvest value of $586 million. The previous year's tax yield was $14 million.

The Timber Tax Division, operating through offices in Eureka, Redding, and Sacramento, assists timber owners with their registration and reporting requirements and reviews their assessments through verification audits.

Revenue from the Timber Tax Yield Program is distributed to the counties of origin of cut timber by the State Controller.

The Forest Taxation Reform Act, which became effective April 1, 1977, and which created the Timber Yield Tax, replaced the *ad valorem* method of taxing timber. Under this method immature timber was exempt for the first 40 years after planting. To avoid paying taxes owners often harvested their timber before it was fully mature. The new law removed the incentive to harvest immature timber.

Timber Advisory Committee

The 1977 Reform Act also created a Timber Advisory Committee which prepares recommended harvest value schedules for adoption by the Board.

The committee is appointed by the Board and includes a Member of the Board (or a designee), a Board of Forestry representative, five assessors, a representative for small-scale timber owners, and a representative for large-scale owners.

The five assessors currently serving on the committee are from Del Norte, Humboldt, Mendocino, Siskiyou, and Tehama counties.

Additional information on the timber tax, including market values and the volume of sawlogs harvested, can be found in the Appendix.

Private Railroad Car Tax

The tax on privately owned railroad cars is the only property tax that is directly levied, collected, and retained by the state. Revenues from this tax, which totaled $2.571 million in 1987/88, are deposited in the state's general fund.

The private railroad car tax is applied to railroad cars owned by companies that haul their own products, lease cars to other shippers, or provide a fleet of cars for a fee. The tax itself is based on the value of the cars, the length of time they remain in the state, and the average statewide property tax rate for the previous year.

Responsibility for appraising, billing, collecting taxes, and issuing refunds rests with the Board's Valuation Department.

The Board's appraisal methodology and the level of assessments of rail transportation properties have been under long-term federal litigation based on the Federal Railroad Revitalization and Regulatory Reform Act. As a result, in 1988/89 the Board applied a 68 percent ratio to the value of rail transportation properties, including private railroad cars. See page 28 for additional information.

ECONOMIC ANALYSIS

Business / Revenue Trends

National Scene

During fiscal year 1987/88 the United States moved into its sixth consecutive year of economic expansion.

The economy continued to grow despite the October 1987 stock market crash, which was of greater proportions than the 1929 crash. Unlike the 1929 episode, which led in part to the Great Depression, the U.S. economy barely faltered and even picked up steam in the first half of 1988.

Economic analysts were left with the problem of trying to explain not only why the crash occurred, but also why it had such little effect on the overall economy.

The Gross National Product (GNP), adjusted for inflation, grew at an average rate of 4.5 percent during Fiscal Year 1987/88. This is a significant improvement over the 2.3 percent increase registered in 1986/87.

During the fourth quarter of 1987 the GNP rose by 6.1 percent, the largest increase since the first quarter of 1986, when a 6.4 percent increase was recorded. GNP growth slowed somewhat, to levels of 3.4 percent and 3.3 percent, for the first two quarters of 1988 respectively.

The large fourth quarter 1987 gain is somewhat suspect, however, as Personal Consumption Expenditures (PCE) dropped 2.1 percent, reflecting the effects of the stock market crash. The gain was due mainly to a rise in inventories and government purchases.

The first quarter 1988 PCE was much improved, posting a 4.5 percent increase. PCE, in constant dollars, averaged a 2.4 percent gain for the fiscal year.

One major improvement in the U.S. economy in the most recent three quarters was the increase in real net exports. The inflation-adjusted volume of imports and exports has improved significantly.

Real net exports, in seasonally adjusted annual rates, posted only a $90.1 billion deficit in the second quarter of 1988, down from a $151.8 billion deficit that occurred during the third quarter of 1986.

This favorable shift in the trade figures bodes well for the California economy, as California is a major trading entity on the Pacific Rim.

Inflation continues to creep up slowly but steadily. The Consumer Price Index (CPI) averaged a 4.1 percent gain during Fiscal Year 1987/88.

Inflationary forces continue to build. The unemployment rate fell to a fourteen year low in June of 1988, registering 5.3 percent. The increasing demand for workers will put upward pressure on wages. Along with this, the Midwestern drought that occurred during the summer will cause food prices to rise as farmers experienced poor harvests of wheat, soybeans, oats and barley.

"The economy continued to grow despite the October 1987 stock market crash."

Beginning in January 1988 the CPI has been revised. The U.S. Bureau of Labor Statistics has undertaken to "re-base" the CPI for the first time in 15 years. Prior to this change, the CPI was based on the prices of goods and services as they existed in 1967. Starting with the January 1988 figures, the CPI is based on the average prices of goods and services as tabulated from the Consumer Expenditure Surveys for 1982, 1983, and 1984.

The December 1987 CPI was 345.7, which meant that it cost $345.70 to purchase a market basket of goods and services in December of 1987 that would have cost only $100 in 1967. The January 1988 CPI, using the new base, was 115.7. A market basket that could have been purchased for $100 during the 1982/1984 period would have cost $115.70 in January of 1988.

The selection of the 1982-84 period as the base was made to coincide with the updated expenditure weights. Unlike the 1987 revision to the CPI, which entailed major changes in both the items and the expenditure weights in the market basket, the 1988 revision is more a change of form than substance.

The changing of the CPI base was done chiefly to give the index more relevance to the average user. Few people can remember with very much accuracy what they paid for everyday items back in 1967, but most can remember back to 1982/84 period.

As mentioned above, the national unemployment rate is the lowest it has been in 14 years. Not since May of 1974, when a 5.1 percent rate was recorded, has a rate lower than the June 1988 rate of 5.3 percent been seen. This is down from the post World War II peak of 10.8 percent, which was registered in December 1982.

Overall employment in the United States has risen by 43 percent from 1970 to 1987. And even more significantly, the unemployment rate for full-time workers has dropped from a high of 10.6 percent recorded in the fourth quarter of 1982 to 4.6 percent in the second quarter of 1988. There are also indications that the average length of unemployment is decreasing. Displaced workers are either finding new jobs more quickly or their layoffs are of a shorter duration.

These figures are certainly good news and a sign that the economy is gaining strength. Even so, some analysts see the start of what could be a very disruptive problem—a shortage of workers.

Four percent unemployment has traditionally been considered the full-employment level, below which worker shortages will occur. Currently, unemployment has fallen below this four percent level in 31 major metropolitan areas in 19 states.

Worker shortages are seen as a result of changing demographics. The growth in population in the United States is slowing. The number of Americans aged 16 to 24 entering the work force is expected to decrease by 10 percent by 1995. At the same time, assuming that the U.S. economy grows by a modest 2-4 percent per year, the number of jobs available will grow by better than 10 percent.

One of the areas that will be hardest hit by the shortages in young workers is the retail industry. Retailers traditionally rely on the influx of young people into their workforces.

One other problem that faces American employers is that at the same time as the number of jobs increases, the skills needed to perform most jobs will also increase. This means that the United States will be left with a hard core of unemployed among those who drop out of school or are undereducated in our schools.

• The Stock Market Crash

On October 19, 1987, "Bloody Monday," the stock market, as measured by the Dow Jones Industrial Average (DJIA), dropped 508 points, or 23 percent, on a record-shattering volume of 604.3 million shares, wiping out an estimated $500 billion in wealth.

The stock market had been on an incredible rally since the latter part of 1986. The DJIA peaked at 2722.42 on August 25, 1987. Market analysts were aware that a rally of this proportion could not last forever, and indeed the market had been dropping slowly since the August peak. But the crash, when it came, was deeper and more extensive than anyone had guessed.

Even though the market recovered somewhat in the next few days, increasing a record 187 points on October 21, 1987, the similarities between this crash and the crash of 1929 were too striking to ignore. Analysts were predicting that at least a recession, if not a full-fledged depression, would hit the U.S. in 1988. As of yet this has not happened, and more and more it looks as if the economy will be able to weather the storm.

Although there are a number of similarities between the 1987 and 1929 stock market crashes, the 1987/88 economy has some inherent strengths that were not present in 1929/30.

The government is a much larger factor in the economy of 1987/88 than it was in 1929/30 and has given the economy a measure of stability. In today's stock market there is much less leverage. Margins are at 50 percent rather than the 10 percent that was prevalent during 1929.

Furthermore, the market is dominated by larger institutions and not by individuals. A Data Resources Inc. survey reports that nearly 80 percent of all households in the United States do not own any stocks.

Also, unlike 1929, unemployment is falling and personal income continues to grow. For these reasons the consumer has not retreated in the face of the stock market crash.

The Federal Reserve Board reacted quickly to the stock market crash by dropping interest rates in an effort to forestall a recession. But the feeling at the Fed changed in the intervening months and by the spring of 1988 interest rates were being raised to keep inflation under control.

While the economy was surely affected by the crash, it seems that fears of a deep recession are unfounded and there is hope that the economy will resume its steady growth into 1989.

California Scene

Up to now, analysts that wanted to measure a state's economic growth and make

"Although there are a number of similarities between the 1987 and 1929 stock market crashes, the 1987/88 economy has some inherent strengths that were not present in 1929/30."

comparisons between individual states and with the national economy have been limited to making estimates using ratios of personal income to GNP. In 1988, however, the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), published the first official estimates of gross state product (GSP).

This is a real breakthrough for those who wish to track a state's economic growth and its relation to the United States economy. The GSP is defined by the BEA as "the gross market value of the goods and services attributable to labor and property located in a state." The GSP is the state's counterpart to the nation's gross domestic product (GDP).

The gross state products, unlike the gross national product, are compiled on an industry basis. The figures are built on the state's personal income figures, which include wages, benefits, and proprietors income.

Added to these factors are components for capital charges, basically interest and depreciation, and indirect business taxes, namely sales, property and excise taxes. Figures are compiled for 61 different industries. The BEA

COMPARISON OF REVENUES 1986-87 and 1987-88
(In thousands of dollars)

Revenue Source	*1986-87*	*1987-88*	*Percent Change*
Sales and Use Taxes			
State tax (4¼%)	$10,901,096	$11,662,040	7.0
City and county sales tax (1%)	2,265,847	2,446,676	8.0
County transportation tax (¼ of 1%)	566,714	612,766	8.1
Transit district taxes (½ of 1%)			
San Francisco Bay Area[1]	118,335	126,213	6.7
Santa Clara County	71,933	78,705	9.4
Santa Cruz County	7,549	9,140	21.1
Los Angeles County Transportation Commission	329,418	355,939	8.1
San Mateo County	28,996	32,304	11.4
Santa Clara County Traffic Authority	69,527	76,885	10.6
Alameda County Transportation Authority	6,829	50,130	—[3]
Fresno County Transportation Authority	—	18,694	—[3]
San Diego County Regional Transportation Commission	—	12,056	—[3]
Other taxes and fees	875	1,931	120.7
TOTALS	$14,367,118	$15,483,480	7.8
Fuel taxes and fees			
Gasoline and jet fuel	1,126,681	1,161,198	3.1
Diesel and other use fuel	142,329	147,616	3.7
TOTALS	1,269,010	1,308,814	3.1
Alcohol beverage taxes	131,287	128,734	-1.9
Cigarette tax	252,031	250,572	-.6
Electrical energy surcharge	35,141	36,942	5.1
Emergency telephone users surcharge	37,344	40,532	8.5
Universal telephone service tax	48,284	13,120	—[3]
Hazardous waste control tax	24,300	35,207	44.9
Hazardous substance tax	16,390	14,774	-9.9
Local taxes on state assessed properties[2]	692,000	724,544	4.7
Timber yield tax	14,376	18,091	25.8
Private railroad car tax	3,406	2,571	-24.5
GRAND TOTALS	$16,890,687	$18,057,381	6.9

[1] Metropolitan Transportation Commission revenues have been included on this line. Interest is accrued on MTC monies until they are allocated. Interest amounted to $490,502 in 1986-87 and $481,784 in 1987-88. Additional details are given in Appendix Table 22B, footnote 1.
[2] Collected by county tax collectors.
[3] Not computed.

has also made an estimate of the gross state product for the United States as a whole.

GSP figures were published for the years 1963 through 1986 in both current dollars and constant (1982) dollars. Unfortunately, the constant dollar estimates are currently based on national price deflators by industry. The BEA is working on developing price deflators by state.

California's gross state product for 1986 is estimated at $533.8 billion and accounts for 12.74 percent of the nation's GSP. In constant dollars, California's GSP is estimated at $464.6 billion, or 12.62 percent of the national product. The difference in the two percentages is due to a higher rate of inflation within California's industrial mix compared to that of the nation as a whole.

As expected, California had the largest GSP in the nation, with New York second at $362.7 million and Texas third at $303.5 million.

It is interesting to note that California's share of the national economy has increased from 11.01 percent in 1963 to 12.74 percent in 1986. California's growth in current dollars was 7.4 percent for 1986 over 1985, compared with U.S. growth of 5.8 percent. In constant dollar terms, California outpaced the nation with a 4.6 percent increase compared to a 3.2 percent growth.

While the gross state product is a very valuable measure of California's economy, it does not tell the whole story, nor is it at present a very timely index, since 1986 is the most current year that has been published. We need to look at some other indicators of California's economic health.

Personal income for Californians reached $528.1 billion for second quarter of 1988, a 6.3 increase over a year earlier. For the Fiscal Year 1987/88 the average increase in personal income was 8.5 percent over fiscal 1986/87.

The California Consumer Price Index (CCPI) averaged a 4.5 percent increase in 1987/88 over 1986/87. CCPI increases remained remarkable steady throughout the year, varying between 4.4 percent and 4.5 percent. However, inflation in California is running somewhat higher than the national figure, which posted only a 4.1 percent increase.

"California's growth in current dollars was 7.4 percent for 1986 over 1985, compared with U.S. growth of 5.8 percent."

California's unemployment rate was fairly volatile during 1987/88. The seasonally adjusted rate registered a low of 5.0 percent in March of 1988 and a high of 6.3 percent in May 1988. For the first ten months of the fiscal year the California rate was running below the national rate by about half a percentage point.

But in May 1988 the California rate dropped to 5.6 percent and the national rate dropped to 5.3 percent. The June 1988 level of 5.6 percent was unchanged from the June 1987 level, while the national rate dropped eight tenths of a percentage point, from 6.1 percent to 5.3 percent.

The total civilian employment has increased, however, since

The construction industry showed a gain of 49,600 workers in 1987/88.

June of 1987. Three hundred and forty-five thousand workers have been added, to reach a total of 13,315,000 employed as of June 1988.

The largest relative increase in employment was once again registered by the construction industry. This industry showed a gain of 49,600 workers, to reach a total of 638,600 people employed, an 8.4 percent increase over June 1987.

The largest absolute 12-month gain in employment came in the retail trade category. Retail trade gained 116,500 workers, to bring their total to 2,157,200, an increase of 5.7 percent. The service sector ranked second in absolute gain and third in relative growth as they posted another strong increase in employment. This sector added 112,000 new workers, to reach a total of 3,003,200, an increase of 3.9 percent.

Residential construction has slowed somewhat from 1986/87. Higher mortgage rates for most of the year held new home construction down. Residential building authorizations in 1987 reached 253,000, down from the 307,700 units authorized in 1986, which was a 23- year high. The latest figures showed that for April 1988 the annual rate was 244,200 units authorized.

Nonresidential construction has also slowed down. The dollar volume of nonresidential building permits declined from $13.8 billion in 1986 to nearly $12.6 billion in 1987. Higher interest rates, the federal tax reform and an over-supply of commercial buildings have caused this decline.

• Service Sector

A prominent feature of both the California and the U.S. economies in the post World War II era has been the steady growth of the service sector's share of total employment and a concurrent drop in manufacturing's share.

Recent data confirm the persistence of this trend. While California's 1987 growth rate in total nonagricultural wage and salary jobs was 3.5 percent, rates varied significantly between industry categories. The service sector posted a 5.4 percent increase in contrast to only a 1.7 percent gain for manufacturing.

The consistently higher growth rate in service jobs has pushed that sector's share of total employment from just under 22 percent in 1980 to approximately 25 percent by 1987.

During the same period manufacturing's share has declined from 20.5 percent to about 18 percent.

The broad service-producing sector, which includes, in addition to the "services" group, transportation and utilities, finance, insurance and real estate, wholesale and retail trade, and government, now employs over three-fourths of all working Californians.

Another economic variable which tends to confirm the increasing dominance of the service sector is the ratio of taxable sales to personal income in California.

Since sales of services are generally excluded from sales tax and sales of most tangible personal property (i.e., manufactured goods) are taxable, one would expect taxable sales to decline relative to income if services are in fact becoming a greater factor in the economy.

In 1987 taxable sales as a percentage of personal income was 46.6 percent, compared to 51.7 percent in 1980. The intervening years show some ups and downs, but the general trend is downward, indicating a growing share of consumer expenditures going for services.

The trend toward an increased concentration of employment in the service sector has been worrisome to many observers and has received media attention. Many analysts feel that a growing service sector is evidence of an unsound economy and a declining industrial base.

However, employment and expenditure figures do not tell the whole story. In fact, manufacturing's share of gross national product has remained virtually unchanged for decades, generally fluctuating between 20 to 22 percent of total output.

The basic reason for this phenomenon of a stable share of output despite a declining share of employment is that the productivity in manufacturing has increased much more rapidly than in the service sector.

Technological advances have raised the level of production of the average factory worker over the long term, allowing a smaller share of the workforce to produce the same share of output.

In contrast, productivity gains are generally more difficult to achieve in the service sector. One effect of slower productivity gains in services has been a higher rate of inflation for services as compared to manufactured goods.

During 1987 the average price increases nationwide were 4.2 percent for services and 3.2 percent for goods. Since 1983 prices for services are up 20.2 percent, while prices for goods have risen only 7.7 percent.

These figures are probably a major factor behind the drop in the ratio of taxable sales to personal income. The increased share of personal expenditures devoted to services may be attributable more to relative price changes than to changing consumer preferences.

Revenue Summary

Tax programs administered by the Board produced state and local revenues totaling $18,057,381,000 during Fiscal Year 1987/88, an increase of $1.167 billion, or 6.9 percent, over 1986/87.

Revenue growth from 1985/86 to 1986/87 had been a somewhat smaller 5.5 percent. Levies from each tax are presented in the accompanying text table; additional details and historical comparisons are given in Appendix table 2. (All major sources of state revenues are compared in the Appendix, page iii.)

"Tax programs administered by the Board produced state and local revenues totaling $18,057,381,000 during 1987/88, an increase of $1.167 billion, or 6.9 percent, over 1986/87."

The combination of all state and local sales and use taxes produced $15,483,480,000, advancing 7.8 percent during the fiscal year. These taxes comprised 86 percent of revenue from Board-administered tax programs.

The state's portion of the sales tax, levied at a 4.75 percent rate, grossed $11,662,040,000, while the part allotted to other governmental agencies -- cities, counties, and transit districts -- totaled $3,819,508,000. (Details are given in Appendix tables 19 through 23.)

By the year's end, transit district taxes at the rate of 0.5 percent were being levied by nine jurisdictions encompassing nine counties.

Both Alameda and Santa Clara counties are covered by two jurisdictions each, thereby bringing the total rate in those counties to 7 percent, as compared to the overall rate of 6.5 percent in the other seven counties covered by transit districts.

The state's fuel taxes aggregated $1,308,814,000 during the year — 3.1 percent more than Fiscal Year 1986/87. Distributions of gasoline and consumption of diesel fuel for highway use totaled 14.6 billion gallons. Gasoline distributions in all except two months of the fiscal year topped those of the comparable month in the prior year. (Historical data on assessments are presented in Appendix tables 24-26.)

The state's excise taxes on both alcoholic beverages and cigarettes declined slightly in 1987/88, just as they had the year before.

Alcoholic beverages, which are taxed by the state at rates ranging from one cent per gallon for wines of 14 percent or less alcoholic content to $2.00 per proof gallon for distilled spirits, produced $128,734,000 — a decrease of 1.9 percent for the fiscal year. Taxes on beer and wine decreased by only .2 percent, but distilled spirits taxes dropped 2.5 percent.

This was the seventh straight year that revenues from distilled spirits have declined. Since 1980/81, when they peaked at $115 million, distilled spirits taxes have fallen 15 percent to their current level of $98 million. (See Appendix tables 27-29 for historical data on taxes, total consumption, and per capita consumption by major type of beverage.)

The excise tax of 10 cents per pack of twenty cigarettes yielded $250,570,000 — a decrease of .6 percent. Since 1980/81 cigarette tax revenues have fallen a total of 9.9 percent. Per capita consumption of cigarettes has dropped even more, having decreased each year since 1975/76. (See Appendix tables 30A and 30B for additional data regarding the cigarette tax.)

The electrical energy surcharge levied on the use of electricity in California produced $36,942,000. This 5.1 percent increase was substantially larger than the prior year's growth of only .9 percent.

The emergency telephone users surchage, a levy to fund the 911 statewide emergency number system, yielded $40,532,000 — an increase of 8.5 percent.

Board of Equalization receipts from the Moore Universal Telephone Service Tax were only $13,120,000, compared to the prior year level of $48 million. This is due to the fact that administration of the tax was transferred on July 16, 1987, to the Public Utilities Commission.

Hazardous waste fees and taxes rose to $35,207,000, a gain of 47.8 percent over the prior year. This increase comes on top of a tripling of the tax in the prior year.

After having undergone numerous changes in 1985/86 and 1986/87, the tax structure remained substantially the same in 1987/88. However, the amount appropriated for 1987/88 for the Hazardous Waste Control Account, a prime determinant of the amount to be raised by the hazardous waste fees and taxes, was substantially increased over the prior-year level, resulting in the revenue increase.

The hazardous substance tax, used to partially fund the "Superfund" for toxic cleanup, dropped 9.9 percent to $14,774,000. Rates for this tax are calculated to raise $15 million annually, but because of the flow of tax payments, somewhat more or less than $15 million may be received in a given fiscal year.

Locally collected property taxes on state-assesssed properties rose to $724,544,000, an increase of 4.7 percent. With property tax rates declining slightly, the increase in taxes is a result of the 5.2 percent increase in assessed values.

The timber yield tax, which is levied at the time timber is harvested in lieu of any annual ad valorem property tax, totaled $18,091,000, up 25.8 percent.

The private railroad car tax, levied on railroad cars owned by firms other than operators of railroads, produced $2,571,000.

• Taxable Sales Activity

Taxable sales in California remained strong during the 1987/88 fiscal year despite the stock market crash. Transactions subject to California's sales and use tax totaled $241.3

billion during the fiscal year, an increase of 7.6 percent over 1986/87.

After adjusting for price increases, which averaged 4.5 percent for the fiscal year as measured by the California Consumer Price Index, the volume of taxable sales grew by 3.0 percent. This level of growth compares favorably with the 2.6 percent real growth that occurred in 1986/87.

California retail stores reported taxable receipts of $156.3 billion for Fiscal Year 1987/88, up 7.2 percent from the prior fiscal year.

Business and personal service establishments, whose tax is based primarily on materials and parts used in service and repairs (since repair labor is exempt from tax), had taxable sales totaling $11.0 billion, an increase of 10.2 percent.

"All other outlets," comprising manufacturers and wholesalers of all types, construction contractors, petroleum producers, publishers, and a multitude of part-time permittees, the bulk of whose business is exempt, had taxable transactions totaling nearly $74 billion, up 8.0 percent from Fiscal Year 1986/87.

(See Appendix table 19 for details on sales tax activity and number of sales tax permittees, by type of business.)

Sales were strong in most of the retail business groups. Thirty-seven of the 39 types of retail business shown in Appendix table 19 experienced sales increases.

Reversing a five-year trend, retail stores featuring nondurables narrowly outperformed those featuring durables. Nondurables grew by 7.4 percent, while durables posted a 7.1 percent gain. The reasons for this change lies with the performance of new car dealers and service stations.

New car dealers, the largest component in the durable classification, grew by only 1.8 percent, posting sales of $24.8 billion. Sales during the first half of the fiscal year were sluggish, declining 10.7 percent during the fourth quarter.

New car sales rebounded with a 20.9 percent increase in the first quarter of 1988 over first quarter 1987, but that increase was heavily influenced by the fact that first quarter 1987 was abnormally low.

The federal tax reform that went into effect January 1, 1987, spurred many consumers to purchase new cars in the latter part of 1986 rather than in 1987. Second quarter 1988 sales showed a moderate 5.9 percent increase for new car dealers.

As these figures indicate, the latter half of 1987 was a difficult time for auto dealers. In contrast to 1986, automobile manufacturers offered few incentives to consumers during the second half of 1987, opting to cut back on production in order to keep down inventories. GM and Chrysler have closed some of their plants or have announced their intention to close plants in the near future. Ford, which had been producing at above-capacity by the use of extensive overtime, had the ability to cut production without closing plants.

Car makers also tried to hold the line on prices. The 1988 models have more standard features and fewer optional

items, which come in fewer optional packages. These changes have allowed manufacturers to cut production costs (some 1988 models actually had lower sticker prices than comparably equipped 1987 models).

In California imports continue to claim more market share. Some foreign manufacturers offered incentives in order to boost sales. The Japanese car makers, although having to deal with a decline of the dollar which cut into their profits, also tried to hold prices level. Most have kept price increases to under 2 percent on 1988 models.

One of the reasons that imports have gained market share in California recently is the phenomenal success of the Hyundai Excel. The Excel has been the best-selling model in California since February 1987, as its sales doubled in 1987 over 1986.

Auto sales bounced back in the first half of 1988. Nationally, sales are up 6 percent over 1987 and some expect 1988 to be a record sales year. Most car makers are offering sales incentives, to spur sales. For the first time, even the European luxury car makers offered sales incentives. Audi was offering a $4,000 certificate to former owners that was good on a purchase of the Audi 5000 sedans. Mercedes-Benz offered round trip tickets to West Germany to U.S. buyers who will buy a new Mercedes there.

The year 1988 may prove to be a better year for the auto industry, but they have yet to figure out how to sell cars without sales incentives.

While new car dealers were advancing only 1.8 percent, sales of service stations, an important element in the non-durable classification, were up 13.7 percent.

Taxable transactions for service stations reached $12.8 billion in Fiscal Year 1987/88. Gasoline consumption continued its upward trend, advancing 2.1 percent with 12.8 billion gallons consumed during the year.

Gasoline prices remained stable during this period increasing only 2.9 cents a gallon, averaging 87.1 cents per gallon in 1987/88.

Service stations have undergone some major changes in the past few years. Instead of the corner gas station that serviced and repaired cars and sold gas, oil, tires, and other automotive supplies, service stations that offer repair services are becoming less common and many service stations have mini-markets or convenience stores along with gas pumps.

Taxable receipts for department stores reached $20.7 billion, a gain of 10 percent over the prior fiscal year. Apparel stores grew 5.5 percent, with taxable sales of $7.9 billion. Specialty stores posted another year of strong growth, with sales of $19.2 billion, advancing 11.7 percent. Restaurant sales grew by 6.8 percent to a total of $20.1 billion.

The building materials group posted sales of $11.8 billion, a 9.8 percent increase. This category was paced by lumber and building material dealers which advanced 14.1 percent with taxable sales of $7.9 billion.

Construction contractors, who are classified with "all other outlets," reported taxable transactions of $12.9 billion, 6.0 percent above 1986/87.

Taxable sales performance was fairly uniform throughout the state. The San Joaquin Valley counties led the state with an increase of 7.3 percent. Close behind were the Southern California counties, which account for 58.7 percent of the taxable sales activity in the state, with a 7.1 percent increase. The San Francisco Bay Area advanced 6.9 percent and the Northern California and Mountain counties registered a 6.2 percent increase. (Detail for counties for the fiscal year is presented in Appendix table 20.)

Outlook

Most economists expect California's economy to continue to grow in the coming year, but at a slower pace than the 1987/88 fiscal year.

Inflation rates will probably rise due in part to the severe drought in the summer of 1988. This will force the Federal Reserve Board to keep interest rates high, and that could mean that the construction industry will cool off.

The most positive development in recent months is the reduction in the U.S. trade deficit. The increase in exports by the U.S. could have a major impact in California, which is in a dominant position to trade with the Pacific Rim nations.

1987–88 Taxable Sales by Quarter; Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

Quarter	Taxable Transactions		Percent Change From Prior Year In		
	Amount	Percent of Total	Actual Dollars	Constant Value Dollars	California Consumer Price Index
July–September	$59,181,225,000	24.5	7.0	2.7	4.4
October–December	62,420,802,000	25.9	6.4	1.7	4.5
January–March	57,343,317,000	23.8	9.8	5.0	4.5
April–June	62,354,771,000	25.8	7.5	3.0	4.4
Fiscal Year	$241,300,115,000	100.0	7.6	3.0	4.5

New Vehicle Registrations and Taxable Sales of New Car Dealers, by Quarter, 1987–88

Quarter	Number of Registrations of New Vehicles						Taxable Sales of New Car Dealers	
	Automobiles		Trucks		Total			
	Number	Percent Change Year to Year	Number	Percent Change Year to Year	Number	Percent Change Year to Year	Amount	Percent Change Year to Year
July–September	372,959	1.5	98,644	-5.2	471,603	0.1	$ 6,504,215,000	-4.8
October–December	346,948	-3.8	82,581	-7.7	429,529	-4.6	5,598,814,000	-10.7
January–March	377,855	6.3	85,902	-7.2	463,757	3.5	6,177,329,000	20.9
April–June	376,168	5.3	93,905	-6.4	470,073	2.7	6,546,805,000	5.9
Fiscal Year	1,473,930	2.3	361,032	-6.6	1,834,962	0.4	$24,827,163,000	1.8

Taxable Transactions of Service Stations Compared to Gasoline Distributions, by Quarter, 1987–88

Quarter	Taxable Transactions		Gasoline Distributions			
	Amount	Percent Change Year to Year	Gallons	Percent Change Year to Year	Estimated Expenditure	Percent Change Year to Year
July–September	$ 3,253,188,000	13.0	3,228,599,000	1.3	$ 2,847,624,000	5.6
October–December	3,126,993,000	26.7	3,224,390,000	2.5	2,798,771,000	15.1
January–March	3,053,833,000	12.7	3,141,082,000	3.9	2,613,380,000	2.6
April–June	3,382,118,000	5.1	3,228,370,000	1.0	2,905,533,000	0.5
Fiscal Year	$12,816,132,000	13.7	12,822,441,000	2.1	$11,165,308,000	5.7

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Sales and Use Tax

Sales price of leased equipment includes balance of unpaid rental receipts.

The seller purchased equipment tax-paid and leased it to the buyer for a term of 84 months, with an agreement allowing the buyer to purchase the equipment for $9,000 after the completion of the rental payments. The buyer decided to buy the equipment after 52 months. The seller sold it for the originally agreed-upon price of $9,000, plus the unpaid rental receipts balance of $56,110, less unearned finance charges of $7,578.

The Board assessed tax on the entire amount paid, including the unpaid rental receipts. The seller contended the sale was a modification of the lease, which increased the final rental payment, and that only the originally agreed-upon price was subject to tax.

The Court of Appeal held in favor of the Board. The contract for sale necessarily terminated the original lease agreement and brought about a redetermination of the value of the equipment. The amount paid for the transfer of title did not constitute lease payments but was the sales price. Framingham Acceptance Corp. v. State Board of Equalization, 191 Cal. App. 3d 461 (1987).

Transfer of entire division's assets and liabilities to existing subsidiaries is not a sale where transferor remains jointly liable for liabilities.

The company transferred both the assets and liabilities of three divisions to three of its already existing wholly-owned subsidiaries. It, however, remained jointly liable with the subsidiaries for those liabilities. The Board assessed sales tax on the transfer of assets, and the consideration for the sales was the assumption of the liabilities by the existing subsidiaries.

Taxpayer contended: (a) this was a nontaxable corporate reorganization, and (b) there was no taxable consideration because taxpayer remained jointly liable for the liabilities.

The Court of Appeal held in favor of the taxpayer. The court held that the taxpayer and its subsidiaries were separate entities and the transfers between them which constituted sales would be subject to sales tax. However, the court also held that where the taxpayer remained jointly liable for the indebtedness assumed by the subsidiaries, and the subsidiaries were preexisting (not commencing) corporations, the taxpayer received no consideration for the transfer of assets, and there was, therefore, no sale. Macrodyne Industries, Inc. v. State Board of Equalization, 192 Cal. App. 3d 579 (1987).

The sale of service division assets is not an occasional sale if it is one of a series of sales.

Taxpayer had three divisions whose sales required a seller's permit and one medical testing services division whose activities did not require a permit. Taxpayer sold all the assets of the service division in a single transaction and contended the sale was an exempt occasional sale since that service division was autonomous from the other retail divisions.

The Board assessed tax on the grounds that the sale of the service division's assets was one of a series of sales by the taxpayer.

The Court of Appeal held in favor of the Board. It held that the Board was not required to consider only sales of equipment used in the service division in determining whether the taxpayer had made a series of sales requiring a permit. The language of the Revenue and Taxation Code defining an occasional sale provided no basis on which to segregate that sale of assets from like sales of other property used in other regions of that division or in other divisions. Chemed Corp. v. State Board of Equalization, 192 Cal. App. 3d 967 (1987).

Geothermal steam was retroactively exempt from tax by 1986 legislation.

The County of Sonoma and an individual resident of that county, brought an action to compel the Board to assess and collect tax on sales of geothermal steam at The Geysers.

Plaintiffs contended that the pre-1986 sales and use tax exemption for sales of gas and water through mains, lines, or pipes did not exempt geothermal steam and that the Board lacked authority to exempt geothermal steam from tax.

The Board (and intervenors — companies who would be assessed tax if their sales of geothermal steam were found to be taxable) contended: (1) that the Board's longstanding administrative interpretation was correct and (2) that 1986 legislation (SB 2315) expressly exempted geothermal steam and intended that this exemption apply retroactively.

The Court of Appeal held in favor of the Board, concluding that a clear legislative intent of SB 2315 was to exempt retroactively pre-1986 sales of geothermal steam. The court held that the retroactive exemption was not a constitutionally prohibited gift of public funds since the exemption served an important public purpose, namely the protection of alternative energy sources including geothermal energy. County of Sonoma v. State Board of Equalization, 195 Cal. App. 3d 982, modified 196 Cal. App. 3d 636b (1987).

Insurance Tax

ERISA does not preempt California's method of insurance taxation.

Plaintiffs were employers who funded employee welfare benefit plans. Metropolitan Life Insurance Company issued minimum premium health insurance policies to the plans, and plaintiffs were responsible for paying all claim benefits up to a specified trigger point. Metropolitan was responsible for paying all claim benefits above that point.

With respect to similar poli-

cies, the California Supreme Court concluded that the taxable gross premiums included premiums paid by employers (such as plaintiffs here) to Metropolitan plus claims paid by employers under the plans. Metropolitan Life Ins. Co. v. State Board of Equalization, 32 Cal. 3d 649. (1982).

Plaintiffs filed suit in federal district court to prevent imposition of gross premiums tax on amounts paid by them as claims under the plans, arguing that such taxation is preempted by the federal law of ERISA. The district court granted plaintiffs' motion for summary judgment, enjoining the Board from calculating Metropolitan's taxable gross premiums with reference to claims paid by employers under the plans (600 F. Supp. 76 [C.D.Cal. 1984]).

On appeal, the U. S. Ninth Circuit Court of Appeals reversed the district court, concluding that the state law at issue "relates to" employee benefit plans, thereby invoking ERISA's exemption clause. It held, however, that ERISA's insurance-saving clause (state law regulating insurance is not preempted) preserved the tax at issue because the tax is intimately associated with the business of insurance. Although the tax is calculated with reference to the employers' claim payments, those payments are used only as a means of providing a measure of the tax by establishing the total cost of the insurance provided.

Finally, the court concluded that the tax does not run afoul of ERISA's deemer clause by deeming the plan to be an insurance company. The tax was therefore upheld. General Motors v. California Board of Equalization (9th Cir. 1987) 815 F. 2d 1305; cert. denied (1988) 99 L. Ed. 2d 282.

Property Tax

Property owned by the California Academy of Sciences need not be used for charitable purposes in order to be exempt from taxation.

The Academy, a tax-exempt nonprofit corporation organized for the advancement of science and the maintenance of a free museum in San Francisco, was one of three residuary legatees under a decedent's will. During administration, the executors paid all taxes on the estate's real property and timely filed verified claims for refund of one-third of the taxes based on the Academy's asserted ownership of an undivided interest in the real property from the date of decedent's death.

At trial, the county contended that the Academy did not own the real property (for tax exemption purposes) until administration of the estate concluded and that since the real property was sold during administration, the Academy never owned the property and, hence, could not claim the exemption. The trial court found that the Academy's interest in the real property arose on the date of decedent's death. The Court of Appeal affirmed.

Citing statutory and case law, the appellate court concluded that the Academy and the other residuary legatees became the owners of their respective undivided interests in the real property upon decedent's death.

The California Constitution and the Revenue and Taxation Code grant a broad tax exemption for real property owned by the Academy. Although the real property was possessed by the estate during administration, the Academy owned its undivided interest from the date of death and was entitled to a refund of its portion of the taxes paid. In so holding, the appellate court emphasized that the Academy's exemption is based solely upon ownership, with the result that the Academy need not use its property for charitable purposes in order to qualify. California Academy of Sciences v. County of Fresno, 192 Cal.App.3d 1436.(1987).

Prepayment relief from the Board's demand for state assessee information held valid.

The trial court enjoined the State Board of Equalization from requiring the plaintiffs to furnish certain information needed to assess their property. The trial court held that the Board had no power to assess the subject property and it therefore had no legitimate need for the information. The Court of Appeal affirmed.

The California Supreme Court reversed, holding that the California Constitution prohibits such prepayment relief in tax matters unless it can be shown that under no circumstances can the taxing agency prevail. Absent such a showing, as was the case here, the trial court erred in granting the prepayment relief and barring the Board from demanding the information at issue. The question of the Board's authority to assess the subject property may only be addressed in an appropriate action for refund after the taxes are paid. Western Oil and Gas Association, et al. v. State Board of Equalization, 44 Cal.3d 208; modified, 44 Cal.3d 712d (1987).

Federal investment tax credits need not be considered when valuing personal property.

The assessor did not consider the impact of federal income tax investment tax credits (ITC) when valuing the taxpayer's personal property. The trial court found that since the ITC reduces the effective cost of an asset, the reduction in cost should be taken into account by the assessor.

The Court of Appeal reversed, holding that while the purchaser of property qualifying for ITC may take it into account when making the decision to purchase, ITC is not bargained for between purchaser and seller. It is an independent incident of federal tax law, the availability, amount, and possible recapture of which are subject to a huge body of federal law and regulation. The effect of ITC on the market — value of an asset is so ephemeral and difficult to determine with certainty that the assessor need not consider it. The May Department Stores Co. v. County of Los Angeles, 196 Cal.App.3d 755 (1987).

Change-in-ownership provision for long-term leases is held valid.

Taxpayer entered into a long-term (35 years or more) shopping center lease, and a department store was constructed on the property. The assessor determined that a change in ownership had occurred under section 61(c) of the Revenue and Taxation Code, which states that the creation of a lease for a term of 35 years or more is a change in ownership of the real property leased.

The trial court found section 61(c) unconstitutional because the term "change in ownership" used in Proposition 13 did not include a lease, regardless of the length of the lease.

The Court of Appeal reversed, holding that the legislature's determination that a lease of 35 years or more constitutes a change of ownership is constitutional. E. Gottschalk & Co. Inc. v. County of Merced, 196 Cal.App.3d 1378 (1987).

Real property of a parent corporation and its wholly-owned subsidiary underwent a change in ownership when the parent merged into the wholly-owned subsidiary of another corporation.

The parent corporation of a real estate holding corporation merged into another unaffiliated corporation. The real property held by the holding corporation and its former parent corporation was reappraised by the assessor because the real property had undergone a change in ownership under section 64(c) of the Revenue and Taxation Code. This section provides that the real property of a corporation undergoes a change in ownership whenever a person or entity acquires direct or indirect ownership or control of more than 50 percent of the voting stock of the corporation.

The taxpayer brought suit in superior court, arguing that because the merger qualified as a tax-free reorganization under both federal and California law, and the corporations were affiliated, section 64(b) excluded the merger from the change in ownership provisions. The taxpayer also contended that section 64(c) was unconstitutional or simply did not control the transaction involved. The trial court ruled in favor of the county.

The Court of Appeal affirmed. It held that the section 64(b) exclusion applied only to reorganizations of affiliated corporations, and the two corporations involved were not affiliated prior to the merger. Finding section 64(c) to be constitutional, the court held that the merger effected a change in control under that section, resulting in a change in ownership of the real property of the holding corporation and its former parent corporation. Sav-On Drugs, Inc v. County of Orange, 190 Cal.App.3d 1611 (1987).

Assessor required to make a cash equivalent adjustment.

The taxpayer purchased a hotel for $85 million, paying $69 million in cash and assuming an existing loan of $16 million with an 8 percent interest rate. The going interest rate was between 12 and 13 percent.

The assessor and the taxpayer agreed that for property tax purposes the best evidence of the hotel's value was its purchase price. The taxpayer asserted, however, that the assessor had overvalued the hotel by failing to discount the assumed loan to reflect the below market interest rate.

The trial court found that the property was overassessed because the assessor failed to make a cash equivalence adjustment.

The Court of Appeal agreed with the taxpayer, holding that conversion of the loan to its cash equivalent by the assessor was mandatory. The assessment of property at fair market value requires a calculation of value in terms of cash. That means that when part of the purchase price is paid in a mode other than money, such as by purchaser financing, that part must be converted to its

money value, taking into consideration whether the rate of interest on the loan is above or below the existing market rate. Further, State Board of Equalization Property Tax Rule 4 (which provides that an assessor "shall . . . [c]onvert the sale price of a property encumbered with a debt to which the property remained subject to its unencumbered-fee price equivalent . . .") is mandatory and expresses the policy of the legislature and the Board that property be assessed in a uniform manner. Thus, the assessor had no discretion and should have discounted the assumed loan to its cash equivalent value to account for the below market interest rate. Prudential Insurance Company of America v. City and County of San Francisco, 191 Cal.App.3d 1142 (1987).

Real property may be reassessed when gas storage rights attain value.

The assessor reappraised the taxpayer's real property for the 1978/1979 tax year to include the value of gas storage rights discovered in that year. The taxpayer contended that the gas storage right is an essential element of property, inherent in its ownership, which could only be assessed up to its full cash value as shown on the 1975/76 tax bills for the subject property since prior to June 30, 1980, there was no change in ownership of the storage rights which could trigger a reassessment under Proposition 13. The trial court entered judgment for the county.

The Court of Appeal affirmed. Analogizing to State Board of Equalization Property Tax Rule 468, which establishes valuation principles for taxation of oil and gas properties, it held that the 1978 reassessment was proper, since the confluence of factors necessary to enable use of the land for gas storage did not occur until then. Since the gas storage rights attained value and were appraised and assessed for the first time in 1978 when they were discovered by the assessor, they were not included in the 1975 base year value for purposes of Proposition 13. Reassessment to include the value of such rights in 1978 was therefore lawful. Tenneco West Inc. v. County of Kern, 194 Cal.App.3d 596 (1987).

State-assessed entity is entitled to notice of the method of assessment so that it may effectively exercise its statutory right to an appeal hearing.

For lien date 1977 the State Board of Equalization assessed the unitary railroad property of the taxpayer in the amount of $715 million. The staff furnished six indicators of value to the Board and recommended a value of $600 million based on the capitalized earnings method. The notice of assessment to the taxpayer stated the Board's value and the staff data without additional explanation. The taxpayer petitioned for reassessment and at the hearing argued that the Board's value was unsupported because the cost indicators were not valid for railroad property and the income indicators supported the lower value recommended by the staff. The taxpayer did not offer any independent evidence of value; so the Board upheld its initial assessment.

Before the trial court the Board was granted a summary judgment on the ground that the taxpayer failed to meet its burden of proof to establish the value of its unitary property and that its other claims were not properly raised in the administrative hearing.

The Court of Appeal reversed

and ordered the trial court to remand to the Board to either reissue the notice of assessment or reassess the property with notice that disclosed the methods of valuation and criteria for weighing those methods.

The appellate court reasoned that the taxpayer could not challenge a method of assessment which it could not reasonably ascertain. To be heard in such a matter the taxpayer must speak to what is incorrect about the assessment; it cannot do so if it does not know what was done. As a caveat the court noted that in practice there will usually be adequate circumstantial notice of the assessor's methodology, and, if not, the notice need only outline the rationale for the preliminary assessment, sufficient to permit a challenge to the method and its application. Southern Pacific Transportation Co. v. State Board of Equalization, 191 Cal.App.3d 938 (1987).

Cable company tax issues remanded to trial court.

In Cox Cable San Diego, Inc. v. County of San Diego, 183 Cal.App. 3d 368 (1986) the court affirmed that the cable company's use of public rights of way is a taxable possessory interest. The court remanded the case to trial court for rehearing.

On November 10, 1987 the trial court rendered an oral decision as a First Amendment speaker, stating Cox Cable's rights were not burdened unconstitutionally by the property tax, that the property tax did not deny Cox Cable equal protection of the laws, that the property tax was not double taxation, that the 3 percent franchise fee was not applicable to property taxes, and that the description of the property rights on the tax roll and on the tax bills was sufficient and did not mislead Cox Cable. The company withdrew the valuation issue before the county presented its case.

LEGISLATION

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Legislation

As one of California's major tax agencies, the State Board of Equalization plays an influential role in the development of new state tax laws and policies. The Board regularly prepares analyses of legislation which impacts the Board and its tax programs. Members of the staff testify before legislative policy and fiscal committees on significant issues and provide technical assistance to the legislature, the Governor, and the Department of Finance when called upon.

Legislative proposals of particular interest to the Board are submitted to the Board's Legislative Committee, which reviews the bills and makes a recommendation to the full Board to establish a formal Board position on each measure. The Legislative Committee also formulates the Board's annual legislative program which proposes changes to the laws in areas where administrative, technical, or policy changes are necessary.

In the second year of the two-year 1987/88 legislative session, the Board sponsored eight bills. One measure would change the procedure for assessing tax on private railroad cars. Another would provide funding to the Board for construction of a new building which would have housed all its Sacramento headquarters offices. The others would make technical, clarifying, and minor substantive changes to the business tax laws and property tax laws.

During 1987/88, 646 bills, resolutions or constitutional amendments affecting the Board were followed, compared to 438 in the previous year.

Business Taxes

Following is a brief summary of the bills passed by the legislature during fiscal year 1987/88 which were significant to the Board's business taxes operations. The bill number, chapter number and effective date of each bill are shown in the summaries.

Diesel fuel is exempt from sales and use tax when it is used in certain commercial watercraft operations.

Assembly Bill 57, Chapter 1352, Statutes of 1987: Adds Section 6368.2 to the Sales and Use Tax Law, effective January 1, 1988

During the calendar year 1988, the sale or use of diesel fuel is exempt from sales and use tax if the fuel is used in operating watercraft in commercial deep sea fishing operations, or commercial passenger fishing boat operations, by persons who are regularly engaged in these operations outside the territorial waters of this state.

The penalty for failure to make a timely prepayment of gasoline tax may be waived.

Assembly Bill 293, Chapter 38, Statutes of 1987: Amends Section 7657 of the Motor Vehicle Fuel License Tax Law, effective January 1, 1988

The Board may waive the penalty for failure to make a timely prepayment of gasoline tax if it finds that a person's failure to make the timely prepayment is due to reasonable cause and circumstances beyond the person's control and occurred with the exercise of ordinary care and without willful neglect.

Annual flat rate use fuel tax will be assessed for the year following the date the flat rate tax is paid.

Assembly Bill 293, Chapter 38, Statutes of 1987: Amends Section 8651.7 of the Use Fuel Tax Law, effective January 1, 1988

The period of application of the annual flat rate use fuel tax is the annual period from the end of the month in which the tax was paid to the end of the month prior in the following calendar year.

More out-of-state retailers are required to collect and remit the 6 percent use tax on sales made in California.

Assembly Bill 677, Chapter 1145, Statutes of 1987: Amends Section 6203 of the Sales and Use Tax Law, effective January l, 1988

The definition of "retailer engaged in business in this state" now includes several types of out-of-state retailers who previously have not been required to collect and remit California use tax. Affected retailers include those who solicit orders by a telecommunication or television shopping system and those who solicit orders by mail under specified circumstances.

Assembly Bill 42, Chapter 60, Statutes of 1988: Amends Section 6203 of the Revenue and Taxation Code, effective March 30, 1988.

This amendment provides that the out-of-state retailers who were added to the definition of "retailer engaged in business in this state," effective January 1, 1988, are required to collect only the state, local, and county sales and use tax (at a current total rate of 6 percent) and are not required to collect transit district tax.

Products which are generally taxable are exempt when purchased with food stamps.

Assembly Bill 1087, Chapter 1103, Statutes of 1987: Adds Section 6373 to the Sales and Use Tax Law, effective October 1, 1987

All property purchased with food stamps is exempt from sales and use tax, regardless of the fact that it is otherwise taxable. Examples of affected transactions are sales of nonalcoholic carbonated beverages, distilled water (in containers less than one-half gallon), food coloring and ice.

The intent to defeat or evade the determination of tax liability may be a felony.

Assembly Bill 1555, Chapter 1064, Statutes of 1987: Adds Section 7153.5 to the Sales and Use Tax Law, Section 9354.5 to the Use Fuel Tax Law, Section 30480 to the Cigarette Tax Law, Section 40187 to the Energy Resources Surcharge Law and Section 41143.4 to the Emergency Telephone Users Surcharge Law, effective January 1, 1988

It is a felony under any of the laws shown above for any person to intend to defeat or evade the determination of a tax liability of $25,000 or more in any 12-month period.

"Lemon Law" — manufacturers may be reimbursed for sales tax returned to the purchaser of a new motor vehicle.

Assembly Bill 2057, Chapter 1280, Statutes of 1987: Adds Section 1793.25 to the Civil Code and amends Section 7102 of the Sales and Use Tax Law, effective January 1, 1988

The Board is required to reimburse the manufacturer of a new motor vehicle for an amount equal to the sales tax which the manufacturer includes in making restitution to the buyer under the "Lemon Law."

Retailers of certain vehicles, vessels, and aircraft not located in transit districts are required to collect transactions use tax.

Assembly Bill 2446, Chapter 308, Statutes of 1987: Amends Section 7262 of the Transactions and Use Tax Law, effective January 1, 1988

All retailers of registered vehicles, licensed aircraft and undocumented vessels are required to collect and remit the transactions use tax when the purchaser registers or licenses the vehicle, aircraft or vessel at an address in a transit district which imposes such a tax.

Sales of food through vending machines are partially exempt from sales and use tax.

Senate Bill 121, Chapter 1300, Statutes of 1987: Adds Section 6359.2 to the Sales and Use Tax Law, effective January 1, 1988

The sale through a vending machine of cold food products, hot coffee, hot tea and hot chocolate, for a price greater than 15 cents, is partially exempt from the sales and use tax. The percentage of gross receipts which is exempt from tax is 23 percent during the year 1988, 45 percent during the year 1989, and 67 percent thereafter.

The operator of a bulk vending machine is the consumer of certain food products sold for 25 cents or less.

Senate Bill 121, Chapter 1300, Statutes of 1987: Amends Section 6359.4 of the Sales and Use Tax Law, effective January 1, 1988

Any vending machine operator is a consumer, rather than a retailer, of unsorted food products (other than beverages or hot prepared food products) sold for 25 cents or less through a vending machine which dispenses food products at random, without selection by the customer. Accordingly, these sales of food products through bulk vending machines are exempt from sales or use tax.

Sales of aviation gasoline are exempt from the prepayment requirements for motor vehicle fuel.

Senate Bill 190, Chapter 210, Statutes of 1987: Amends Section 6480 of the Sales and Use Tax Law, effective July 23, 1987

Distributors and brokers of motor vehicle fuel are not required to collect prepayments of the sales and use tax on transfers of aviation gasoline for use in propelling aircraft.

Hazardous wastes generated or disposed of by certain entities are exempt from the disposal fee.

Assembly Bill 1308, Chapter 1417, Statutes of 1987: Amends Section 25174.7 of the Health and Safety Code, effective January 1, 1988

This amendment exempts from the disposal fee and the generator fee any hazardous wastes generated or disposed of by (1) state and local agencies operating a household hazardous waste collection program or (2) local vector control agencies or county agricultural

commissioners meeting specified requirements.

For purposes of the Hazardous Waste Tax, "Facility" has been redefined.

Assembly Bill 1308, Chapter 1417, Statutes of 1987: Amends Section 25205.1 of the Health and Safety Code, effective January 1, 1988

The definition of "facility" excludes any facility operated by a local government agency which is used for hazardous wastes which are generated or disposed of by local vector control agencies or county agricultural commissioners meeting specified requirements.

The disposal of solid waste is subject to a fee.

Assembly Bill 2448, Chapter 1319, Statutes of 1987: Adds Part 23 (commencing with Section 45001) to the Revenue and Taxation Code, effective September 28, 1987.

Every operator of a solid waste landfill required to have a solid waste facilities permit shall pay an annual fee to the Board of Equalization on all solid waste disposed of at each disposal site on and after January 1, 1989. Each feepayer shall report to the Board the amount of waste disposed at each site, and the Board will use the reported amounts to compute the fees which will result in the collection of $20 million each year.

Property Taxes

During the 1987/88 fiscal year, the legislature passed many bills which directly affect county assessors and the Board. The most important of these are described in the following summaries, which detail chapter number, bill number, effective date and operative date where applicable.

Family transfers

Chapter 48, Statutes of 1987, AB 47, effective June 17, 1987, operative November 6, 1986

This chapter implements Proposition 58, which was approved by the electorate on November 4, 1986. It excludes from change in ownership the purchase or transfer of the principal residence between parents and children and also the first one million dollars of other property.

Replacement residences for those over 55

Chapter 186, Statutes of 1987, AB 60, effective July 23, 1987, operative November 6, 1986

This chapter implements Proposition 60, which was approved by the electorate on November 4, 1986. It permits persons over the age of 55 residing in property that is eligible for the Homeowners' Exemption to transfer the base-year value of their principal residence to a replacement dwelling of equal or lesser value in the same county.

Fixtures removed from Supplemental Roll

Chapter 261, Statutes of 1987, AB 297, effective July 27, 1987, operative August 1, 1987

This chapter removes certain fixtures from supplemental roll procedures and simplifies welfare exemption claims for the supplemental roll.

Property tax refund suits for state assessees

Chapter 1262, Statutes of 1987, AB 2120, effective January 1, 1988

This chapter revises various

provisions relating to the assessment of, and filing of property tax refund suits by state assessees. It also requires the Board to notify counties as well as state assessees of its decision on a petition for reassessment.

Welfare exemption for low-income housing

Chapter 1469, Statutes of 1987, AB 2144, effective January 1, 1988

This chapter provides an additional partial property tax exemption under the welfare exemption for property used exclusively for rental housing and related facilities, in which some of the property is used for housing and related facilities for low-income persons or families.

Exemption for historical aircraft

Chapter 267, Statutes of 1987, SB 95, effective January 1, 1988, operative for the 1987/88 fiscal year and fiscal years thereafter

This chapter exempts from property taxes any aircraft of historical significance, as defined, provided it is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date.

Mobilehome park purchases by nonprofit tenant corporations

Chapter 1344, Statutes of 1987, SB 298 effective September 29, 1987

This bill extends the expiration of the exclusion from change in ownership or the purchase of a mobilehome park by a nonprofit corporation or other entity formed by the tenants of the park for the purpose of purchasing the park from January 1, 1989 to January 1, 1994. It also declares the legislature's intent that this exclusion apply to all bona fide transfers of rental mobilehome parks.

Correction of assessment errors

Chapter 537, Statutes of 1987, SB 587, effective January 1, 1988

This Board-sponsored legislation requires that assessment errors not involving the exercise of judgment as to value be corrected in the assessment year in which they are discovered. It also permits correction of errors involving judgment as to value to be corrected within four years after July 1 of the assessment year in which the base-year value was established. This measure prescribes a standard of proof for establishing the existence of clerical errors.

Williamson Act valuation methods

Chapter 144, Statutes of 1987, AB 509, effective January 1, 1988

This chapter provides that, unless a party to an open-space contract prohibits such valuation method, the capitalization of income method shall not exceed the lesser of the unrestricted full cash value or the adjusted base year value.

Williamson Act cancellations

Chapter 1305 Statutes of 1987, SB 338, effective January 1, 1988

This chapter provides that the cancellation value of land that is under Williamson Act contract is the property's current fair market value as though it were free of the contractual restriction.

Williamson Act transfers

Chapter 232, Statutes of 1987, AB 714, effective January 1, 1988

This chapter revises conditions

of the Williamson Act relating to the transfer of ownership of a portion of land within an agricultural preserve from one immediate family member to another.

Nonprofit public benefit corporations owned by cities

Chapter 1412, Statutes of 1987, AB 892, effective January l, 1988

This chapter extends to property owned by a nonprofit public benefit corporation owned by a city, the same exclusion from property taxes which is presently available to cities.

Board "housekeeping " bill

Chapter 498, Statutes of 1987, SB 544, effective January l, 1988

This measure was a Board-sponsored administrative "housekeeping" bill. The bill makes various technical and clarifying changes to the property tax, private car tax, and timber yield tax.

Substantially damaged or destroyed property

Chapter 219, Statutes of 1987, SB 473, effective July 23, 1987, operative July 1, 1985

This chapter provides that, at the time the base-year value of substantially damaged or destroyed property is transferred to replacement property, the base-year value of the substantially damaged or destroyed property be retained.

Renewal of possessory interests

Chapter 1094, Statutes of 1987, AB 114, effective September 25, 1987

This chapter provides that for purposes of establishing changes in ownership of possessory interests, the term "renewal" does not include the granting of an option to renew an existing agreement which would result in lengthening the term of possession of an existing agreement upon exercising the option.

Allocation of state-assessed property tax revenue

Chapter 921, Statutes of 1987, AB 454, effective September 22, 1987
This chapter, among other things, alters the way property tax revenues derived from the taxation of utilities and railroads as assessed by the Board will be distributed among the taxing jurisdictions within each of the counties.

Leases for exempt entities

Chapter 703, Statutes of 1987, AB 1054, effective January 1, 1988

This chapter simplifies the procedure for claiming exemption from the property tax of property leased to various exempt entities including property used for free public libraries, free museums, public schools, community colleges, state colleges, state universities, the University of California and nonprofit colleges.

Mobilehome reports to assessors

Chapter 765, Statutes of 1987, AB 1874, effective January 1, 1988

This chapter deletes the requirement that dealers report the sale of commercial coaches to the assessor, but it adds the requirement that leases and rentals of mobilehomes be reported.

Access to assessors' records

Chapter 1162, Statutes of 1987, SB 295, effective September 26, 1987

This legislation adds employees of the State Controller (for property tax postponement

purposes) and the State Department of Savings and Loan to the list of government agencies that are authorized to have access to county assessors' records. The bill provides for reimbursement to the assessor for any costs incurred in providing such access to the Department of Savings and Loan.

Past due taxes and assessment liens

Chapter 1378, Statutes of 1987, SB 571, effective September 29, 1987

This chapter permits the assessor, upon authorization of the Board of Supervisors, to segregate subdivided land for past due taxes and assessment liens among the various parcels in the subdivision.

Assessment Practices Surveys

Chapter 1194, Statutes of 1987, SB 1337, effective January 1, 1988

This chapter requires that assessment practices survey reports continue to be provided as required currently, and additionally that all county assessors will automatically receive copies of all assessment practices survey reports issued by the Board, unless the assessor specifically notifies the Board to the contrary.

OPERATIONS

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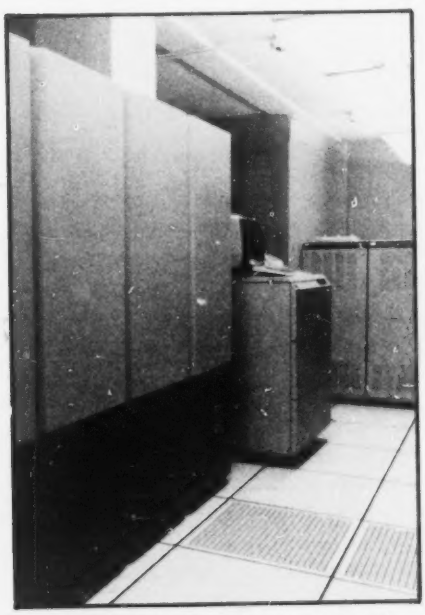
ADMINISTRATION

Computer Installation

In January the Board installed a UNISYS A15 processor. This new system is much faster than the previous processor and will ensure that the Board's future automation needs can be accommodated. When completely installed, the system, along with its complement of network equipment, will consist of 568 terminals, 252 terminal printers, 344 personal computers, 267 dot matrix printers, 52 letter quality printers, and 11 desktop laser printers.



The UNISYS A-15 processor supports 568 terminals and 344 personal computers.

The conversion of computer application software to the new system required changes to more than 1000 application programs and numerous data bases.

Key Data Entry System

In September 1987 the Board acquired a new key data entry system made by Recognition Equipment, Inc. The new "Tartan Plus" system will interface with the new UNISYS A15 main computer. The system is much faster, more reliable, and ergonomically superior to the old system. More than 500 programs were converted over to the new system.

Personnel Management Services

The Personnel Office provides service to Board managers and employees in the areas of job classification, performance appraisal, employee discipline, programs for ill or injured employees, examinations, and processing of employee pay and benefit documents.

This year the Personnel Management Division began the development of a comprehensive new Personnel Policy and Procedures Manual which will help all Board staff better manage the personnel function. New personnel procedures are also being designed for increased efficiency and effectiveness.

Classification Unit

The Classification Unit assures appropriate use of job

classifications by reviewing all requests for filling and reclassifying positions. During 1987/88, the Classification Unit developed new procedures to drastically reduce the amount of documentation required for filling or reclassifying positions. A new filing system was also instituted featuring readily accessible classification records for each of the approximately 3,000 positions in the Board. The new procedures and filing system will provide increased management information and allow vacant positions to be filled more quickly.

Injured State Worker Program

The Injured State Worker Assistance Program facilitates the return to work of employees who are injured from either industrial or non-industrial causes. The program's goal is to reduce the Board's annual costs of industrial compensation and medical expenses which average $200,000. Last year, 169 employees were helped through this program.

Examination Unit

The Board has continued to expand its decentralized examination testing program as mandated by the State Personnel Board. On July 1, 1987, the State Personnel Board decentralized all promotional examinations for servicewide classifications. The Board's Examination Unit previously had responsibility for 75 Board-specific, entry-level and promotional classifications. The additional decentralization of servicewide classifications resulted in the unit's assuming responsibility for an additional 80 promotional examinations for servicewide classifications used by the Board.

The Examination Unit administers exams for more than 150 classifications.

Under the decentralized program, the Board is now responsible for planning, scheduling and administering examinations for 155 different classifications. Each examination, depending on the classification and the Board's need, will be scheduled and administered on a yearly, two year, or three year cycle.

Labor Relations

The Board reviewed its Incompatible Activities Statement during the year. Following discussion with the California State Employees' Association regarding the proposed changes, a revised statement was adopted by the Board and approved by the Department of Personnel Administration.

The most significant change is that staff are no longer restricted from performing any outside accounting work. Staff may do outside accounting and income tax preparation work for non-permittees, or licensees of the Board, or any other person or entity where the work will not later be subject to Board review. The new statement was adopted in time for employees to make work commitments during the 1987 income tax return preparation season.

In response to an Executive Order from Governor Deukmejian, requiring state agencies to maximize a smoke-free work environment, the Board adopted on November 18, 1987, a revised policy which prohibited smoking in all Board offices. Labor unions concurred with the new policy.

Consistent with the application of the U.S. Supreme Court

decision in California Hospital Association v. Henning, Board employees no longer lose vacation credit which exceeds the vacation cap each year. However, more planning will occur mid-year to minimize the number of employees with balances exceeding the cap.

Following negotiations of the labor agreements Board managers and supervisors attended a three-hour training session on interpreting the new agreements. This is the first time in several years that update training was provided in a classroom setting instead of through a memorandum. The two-way communication was very valuable and provided a more effective understanding of the new labor agreements.

Training

The Board Training Program is designed to develop employee skills, knowledge and abilities in order to provide quality service to the public, to increase productivity, and to promote self-development. The program includes on-the-job training and experience, programmed texts, and formal classroom instruction.

During 1987/88 nearly 8,000 participants took advantage of the Board's training opportunities.

Training Office staff develop and conduct courses which cover general skills subjects and courses which deal with topics of concern to supervisors and managers. In addition, specialized courses in auditing, tax compliance, property appraisal, and data processing are designed and conducted by Board staff.

Mandatory annual training has become an integral component of the management development program initiated in 1987. Board executives, managers and supervisors are required to complete 8 to 16 hours of training in selected managerial topics. To further enhance this program, a management development conference was presented in Napa as the site for the Northern Area Conference. Later in the year, the Southern Area Conference will be held in Oxnard. The conferences present a variety of managerial and supervisory topics designed to enhance the delivery of services to the public.

Employee Assistance Program

The Board's Employee Assistance Program is designed to refer employees or their family members with problems to appropriate resources in the community. Assistance is available to employees and their families with personal problems that affect, or ultimately might affect, their job performance or the quality of their lives. Problems include alcoholism, drug abuse, or stresses brought on by physical, mental, marital, family, financial, or legal problems.

During 1987/88, over 300 Board employees used the program for assistance with their problems.

During the year, EAP staff provided training and orientation for employees and supervisors; awarded and administered backup EAP service contracts; and continued its child care coordination.

EAP also automated its Statewide Resource System; es-

Staff review unidentifed account payments.

More than 4 million returns are processed annually.

Central Files contains records for more than 900,000 businesses.

tablished a non-profit corporation to receive grant monies for child care; updated and published the Sacramento Area Child Care Handbook; established a monthly newsletter to disseminate wellness and resource information; assisted staff at headquarters and in district offices in setting up and presenting AIDS information sessions; and conducted a Boardwide survey to enhance EAP services in the direction employees view as priority. There is a statewide trend in most agencies to emphasize the development of better coping skills as external and internal stresses increase. The EAP office is working diligently in this area.

Women's Advisory Committee

The Women's Advisory Committee, formed in 1984, continues to identify, advise management of, and address issues of special concern to women employees. The Committee, composed of twelve members selected from all occupational areas, represents both headquarters and field employees and meets as needed throughout the year. Many of the Committee's activities center around four major areas: training, upward mobility, childcare, and communication.

During 1987/88 the Women's Advisory Committee gave a series of one-hour presentations available to all employees in field and headquarters offices. The onsite presentations provided an open forum to discuss employee programs currently offered, to share results of the 1986/87 survey of Board women, and exchange ideas and perspectives.

The Women's Advisory Committee's pamphlet was developed and distributed to all Board employees, during 1987/88. The Committee also assisted in developing the Sacramento Area Childcare Handbook.

The Women's Advisory Committee has actively supported the creation of a childcare program at the Board.

In June, a brown bag session on upward mobility opportunities was presented during the noon hour to Headquarter's employees. A guest speaker from a community college provided information on application and registration procedures. An ongoing project is to improve communication and information dissemination through the installation and maintenance of employee bulletin boards. The Women's Advisory Committee also assists the Training Office in presenting monthly staff development sessions.

The Board's primary affirmative action goal is to achieve and maintain a workforce of minorities, women, and persons with disabilities who represent the general California workforce. Another goal is to main-

tain a discrimination-free work environment. The Equal Employment Opportunity Office is responsible for developing and administering the programs that enable the Board to achieve these goals.

For Fiscal Year 1987/88, a goal of 20 disabled hires was established, and the Board met that goal through the Limited Examination and Appointment Program (LEAP). The disabled workforce composition increased from 104 to 114. Although the gain was significant, this group is still underrepresented by 65 employees.

A new mentor program has been established whereby Disabled Advisory Committee (DAC) members visit newly appointed disabled persons. The primary purposes of the mentor system are to ensure that new disabled employees are aware of all the special programs available to them and to provide a support person.

The Hispanic group continues to be the most underrepresented group in state service as well as at the Board of Equalization. While the Board is currently under parity by 104 Hispanic employees, the intake for this group was 86, or 20.4 percent. The Board had one of the highest Hispanic intake rates of the eleven departments that made the greatest number of hires.

The Board's Statewide Recruitment Coordinator, with significant support from field offices statewide, implemented an aggressive Hispanic-focused recruitment effort. This resulted in placing 48 Auditor I and 50 Business Taxes Representative I Hispanic candidates on the hiring lists. Of these candidates, 24 (19%) Auditor I and 20 (55.6%) Business Taxes Representative I hires were made. In Fiscal Year 1987/88, these two classifications comprised 162 annual hires. Special recruitment workshops for Hispanic students were held at four colleges and universities throughout the state. To enhance our Hispanic candidate pool, the Board conducted Auditor I interviews at the University of Texas at El Paso to specifically recruit Hispanic candidates.

Women in non-clerical jobs had a positive net gain of 83 positions, or 1.6 percent over the preceding year. Labor force parity for this group is 42.8 percent. It is currently underrepresented by one employee. Women were hired at a rate of 41.7 and 42.3 percent respectively in the Auditor I and Business Taxes Representative I classes. In January the Board hired its first woman Executive Director in its 109 year history. The first woman Deputy Director in charge of the Business Taxes Department was also hired this fiscal year.

The Board's Statewide Recruitment Program again attracted a wide range of candidates. In the Auditor I class, 837 candidates were placed on the hiring list. In addition, 688 Business Taxes Representative I's were placed on the hiring list. Interviews were held at 20 colleges and universities.

The Board's Summer Work Program provided work experience for 104 youths throughout the state, the majority coming from the Board's underrepresented groups. In addition, one employee was hired through the Career Opportunities Development Program.

"Women in non-clerical jobs had a positive net gain of 83 positions, or 1.6 percent over the preceding year."

"Most of the tax payments received by the Board are banked the same day as they are received to earn maximum interest for the state."

Cashier's Unit

The Cashier's Unit received and processed more than 4.17 million tax payments during 1987/88, totaling $17.3 billion. The number of payments was one percent higher than last year, an increase of approximately 50,000 payments. Most of the tax payments received by the Board are banked the same day as they are received to earn maximum interest for the state.

The Board's cashiering operation is one of the three largest in California state government. Additional electronic equipment was installed during the year to help cope with the workload increase. In June 1988 the unit added three intelligent Magnetic Ink Character Recognition machines to help in bank deposit preparation.

In August 1987 two additional rapid mail extraction machines were installed, bringing the total to eight. The electronic mail opening equipment is part of an ongoing program to streamline the annual processing of more than 4 million returns.

Strategic Information Systems Planning

The Board continues to give high priority to long-range information systems planning. Its Strategic Information Systems Plan (SISP), which was developed in conjunction with the consulting firm of Price Waterhouse and approved by several state control agencies in April 1987, required that staff conduct a comprehensive review of its programs and identify those areas which would help the Board achieve its automation goals.

In late 1987 the information systems planning responsibility was placed under the Deputy Director, Administration. In early 1988 a manager was recruited and hired and a permanent five-member information systems planning team was established. Working closely with the Executive Steering Committee, consisting of the Executive Director and three Deputy Directors, the team updated the SISP by reprioritizing automation projects in the plan and preparing the necessary documents for the 1989/90 fiscal year budget cycle.

During 1989, the entire SISP will be reassessed to ensure that it continues to reflect the goals and direction established by the Board.

Business Taxes

District Offices

The Board encourages voluntary cooperation from the almost 900,000 registered taxpayers. To help taxpayers meet and understand their tax obligations, the Board offers assistance through 56 offices located statewide. The Board also maintains offices in New York, Chicago, Houston, and Sacramento for taxpayers who do business in California but whose records or headquarters are located in other states.

Staff in the Orange County District Office help with a tax application question.

Anyone opening a new business or buying an established business first makes contact with the Board's staff through a field office. Board representatives issue seller's permits and provide information on how taxes apply to the type of business for which a permit is being issued. During the life of a typical business, the taxpayer will normally have infrequent contacts with Board employees, unless the taxpayer becomes delinquent in filing returns or paying taxes.

The Board's field offices are staffed by employees whose responsibilities are organized into two primary functions--audit and compliance. The audit staff conducts onsite audits of existing accounts and prepares reports of findings and recommendations for processing by headquarters audit staff. The compliance staff registers taxpayers, provides advisory services, and collects delinquent taxes.

In April 1988 the Board opened it newest office in Laguna Hills. This office will serve taxpayers in Southern Orange County.

In June the Board expanded operations at the Ventura Office to serve not only Ventura County but also to serve as regional headquarters for six central coastal counties. Several employees from the Santa Barbara Office were transferred to Ventura to accommodate this change.

Processing Tax Returns

All tax returns are reviewed and verified at Board headquarters. During fiscal year 1987/88, over 3.78 million returns were filed by California taxpayers, an increase of one percent over the preceding year.

Enforcement Activities

The Board's compliance staff is responsible for the equitable and uniform enforcement of the tax laws. Proper licensing of persons required to report and pay taxes is a major objective. Compliance staff personnel work in all of the Board's field offices to assist taxpayers in the preparation of their returns and to interpret tax laws and regulations.

The collection of delinquent tax payments is primarily the responsibility of field offices. Generally fewer than 10 percent of the business tax accounts in California require special attention. The Collections Unit at Board headquarters in Sacramento advises and assists field offices with technical collection such as bankruptcies, probate, and assignments. During the fiscal year, the Board collected

delinquent accounts receivable amounting to $172,673,225.

The Occasional Sales Unit administers the use tax due on non-dealer sales of vehicles, vessels, aircraft and motorhomes. This unit maintains a close liaison with all state registration and enforcement agencies. The Department of Motor vehicles collects the use tax on the Board's behalf as part of the vehicle and vessel registration process. Similarly, the Department of Housing and Community Development collects use tax on mobilehomes. If these agencies are unable to collect the tax or determine the merits of a claimed exemption, the transaction is sent to the Board's Occasional Sales Unit, or the field offices for review.

This fiscal year the Department of Motor Vehicles collected $250,086,278 in use taxes for the Board; the Department of Housing and Community Development collected $10,629,876; and the Occasional Sales Use Tax Unit collected $20,439,029, for a total of $281,155,183.

Audit Program

Most of the taxes administered by the Board are self-reported by those holding tax permits. In order to assure that permit holders report neither more nor less than the law prescribes, the Board maintains a vigorous and effective audit program. The Board's audit selection system is designed to use audit resources in the most cost-effective manner possible by concentrating on the accounts in which the likelihood of inaccurate reporting is the greatest.

Approximately 3 percent of the Board's active accounts are audited in any one year. This work is performed by 768 auditors engaged in field auditing; 646 are assigned to the California field offices, and 122 to the Board's out-of-state audit offices.

The audit program also provides information and assistance to taxpayers, enabling them to complete returns and pay their taxes correctly and efficiently. Interpretations of the law and related regulations, which are obtained by taxpayers during the audit process, provide them with a basis for the proper reporting of future tax liabilities. This is true whether the audit results in a no-change recommendation, or discloses understatements or overstatements of reported tax.

The Board believes that a sound audit program fosters a climate of cooperation, which leads to greater accuracy in self-assessment.

During 1987/88 the Board's business taxes audit program disclosed net deficiencies of $401.3 million. Net tax deficiencies per audit hour for the fiscal year were $365.06. Net tax deficiencies per dollar of cost were $6.63 for the sales and use tax audit program.

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY
FISCAL YEAR 1987–88

Tax Program	Number of Audits	Number of Hours	Hours Per Audit	Audit Recovery	
				Net Tax Deficiencies	Refunds
	a	b	a,b	a,c,d	
Sales and Use Tax	22,282	1,054,121	47.3	$386,349,145	$34,567,134
Use Fuel Tax	602	12,847	21.3	6,205,110	270,672
Motor Vehicle Fuel License Tax	116	9,834	87.0	8,439,097	645,622
Alcoholic Beverage Tax	17	697	41.0	147,273	0
Cigarette Tax	30	1,029	34.3	157,776	0
Total Business Tax	23,044	1,078,528	46.8	$401,298,401	$35,483,428

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes audit recovery arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.

Appeals

The Board provides an administrative appeals process for taxpayers who disagree with the results of an audit. This process normally begins with the taxpayer working directly with the auditor to resolve a dispute. If the dispute cannot be resolved, the taxpayer may meet with the auditor's supervisor, or from there, with a higher level Board representative.

The taxpayer may also petition for a redetermination of audit findings through the Board's Petition Unit and, as part of their petition, may request a formal hearing. Formal hearings are generally first held before a hearing officer from the Board's Legal Section. If the dispute is not resolved there, the taxpayer can request a hearing before the Board. If the Board does not find in favor of the taxpayer, he or she can file a claim for refund after paying the tax liability. If all administrative remedies fail, the taxpayer can seek redress through the judicial system.

A total of 14,114 taxpayer appeals were received during the year. Approximately 63.9 percent of these were resolved through correspondence. Hearing officers held 5,102 hearings, resolving an additional 3,227 petition cases. The Board heard 1,825 petitions not previously resolved.

PROPERTY TAXES

Assessment Standards

The Assessment Standards Division assists and monitors the assessment practices of the 58 county assessors' offices. Field offices for this division are located in Fresno, Hayward, Orange, and Sacramento.

Staff provide technical expertise and guidance to county assessors, the legislature and others concerned with property tax assessments through advisory "Letters to Assessors", individual responses to specific inquiries, the Assessors' Handbook, and special-topic surveys.

Letters to Assessors

Letters to Assessors interpret rules, laws, and court decisions on property tax assessment to assessors and other interested parties. They include summaries of court rulings, legal opinions, highlights of enacted legislation, property tax rules, and technical bulletins on assessment problems. Over 100 advisory letters were issued in 1987/88.

The following letters discussed significant changes in two important areas:

- Open Space Yield Rate

One letter announced the open-space yield rate that the Board is required to publish annually. The rate for this year was 9.0 percent compared with last year's rate of 7.25 percent. If all elements of the open-space valuation approach remain the same, this increase in the yield rate will result in a value decrease for open-space properties of approximately 19 percent. The Board has been helping assessors, legislators and taxpayers evaluate the different elements of the income approach and the implication on value of the newly announced yield rate.

- Mineral Property Assessments

Another advisory letter discussed the impact of the supplemental assessment provisions on mineral property assessments. Topics in this letter included gas discoveries, geothermal development, oil well abandonment, and the court case involving litigation on the assessment of producing petroleum property (Lynch v. State Board of Equalization 164 Cal.App.3d 94(1985).

Responses to Outside Inquiries

The Board replies to inquiries from assessors, legislators, taxpayers, and other interested parties and responds to all letters written to the Governor on property tax issues. These inquiries range from general property assessment to technical appraisal questions to legal interpretations of the Revenue and Taxation Code. Approximately 2,600 individual re-

sponses to inquiries were written in 1987/88.

Assessors' Handbook

Another form of assistance provided by the Board is the publication and maintenance of the Assessors' Handbook. This handbook is a compilation of manuals on many assessment topics for the guidance of assessors and their staffs. It is constantly updated to reflect legislative changes and changes in the appraisal and assessment systems.

Assessment Practices Surveys

An important function of the Assessment Standards Division is to conduct Assessment Practices Surveys of county assessor offices. These surveys are designed to "determine the adequacy of the procedures and practices employed by the county assessor in the valuation of property for the purposes of taxation and in the performance generally of the duties enjoined upon him or her." They are currently conducted on a five-year cycle and, to comply with legislative direction, concentrate on revenue-related issues and statutory violations.

The Assessment Standards Division conducts surveys to "determine the adequacy of . . . procedures and practices employed by the county assessor . . . ."

The Board's sample appraisal program is designed to provide a representative sampling of the assessment rolls to determine how effectively the county assessor identifies properties subject to revaluation and how well he/she is performing the valuation function. As required by legislation passed in 1986, the results of the sampling program are used to determine whether a county has achieved an average level of assessment of at least 90 percent (or 95 percent for counties in which surveys were started after January 1, 1987) of the statutorily required level. A county must achieve at least a 90 (or 95) percent level in order to be reimbursed for certain administrative costs.

The County Assessor has an opportunity to reply to the report. This reply will be published, along with any additional Board comments that may be needed. The final report is sent to the Governor, Senate, Assembly, Attorney General, county assessor, county Board of Supervisors, county grand jury, county assessment appeals board, and other county assessors and may be sent to other interested parties upon request.

In 1987/88 assessment practices survey reports were published for Butte, Del Norte, Lassen, Plumas, San Benito, San Diego, San Mateo, Sierra, and Tulare counties.

During the year staff sampled the following county assessment rolls: Marin, Merced, Monterey, Modoc, Napa, Placer, Santa Barbara, Santa Cruz, Sutter, Tuolumne, Ventura, and Yolo.

Special-Topic Surveys

The Board publishes special-topic surveys on statewide assessment practices. These surveys generally deal with single issues of particular concern to the Board, the assessor, and the legislature. To date, the following special-topic surveys have been published:

- New Construction; Change in Ownership
- Assessment of Open-Space Properties
- Assessment of Oil- and Gas-Producing Properties
- Assessment of Mobilehomes
- Assessment of Possessory Interests
- Assessment Appeals
- Audit Program.

Property Tax Exemptions

The California Constitution provides that all property, both personal and real, is taxable unless it is specifically exempted by federal or state law. Property exempted by federal law is immune from assessment and taxation. In addition to exemptions specified in the California Constitution and the Revenue and Taxation Code, the legislature has mandated certain restricted assessments and partial exemptions.

In general, there are two types of exemptions. The first requires the taxpayer to file a claim form, such as the homeowners', veterans', college, and welfare exemptions. The second includes those that do not require the filing of a claim, such as household furnishings, personal effects, growing crops, and business inventories.

Although most of the exemption program is administered locally by the county assessor, the Board does act as a clearinghouse for the homeowners' exemption claims to prevent multiple claims throughout the state. During the year the Board processed nearly 14.5 million homeowner's exemptions, up 1.5 percent from the previous year.

In addition, the Board reviews the assessor's administration of the local exemption programs to ensure accuracy and adequacy and provides advice and instruction.

For the welfare exemption, the Board works directly with the assessors' offices. The welfare exemption is granted to property owned by nonprofit organizations engaged in religious, hospital, scientific, or charitable activities. After a claim is filed with the assessor, it is forwarded for review to the Board with the assessor's comments. The Board recommends granting or denying the exemption claim. The county may deny an exemption that is approved by the Board, but it cannot grant an exemption denied by the Board. When requested, the Board holds hearings on claims it has denied. During the 1987/88 fiscal year, the Board reviewed about 8,200 welfare exemption claims involving a total of over 14,900 properties.

•Subvention Payments

The Constitution and the Revenue and Taxation Code also provide for restricted assessments which result in partial exemptions. Properties in this category include timberland, open-space properties, and historical properties.

The major subventions are for homeowners exemptions and open-space properties.

Certified appraisers must receive 24 hours of training each year, conducted by the Board of Equalization.

To offset revenue loss to the counties associated with restricted assessments and exemptions, the state is required to pay subventions to the counties for some of these exemptions.

Appraiser Certification and Training

By law, any person employed by a county assessor or by the Board of Equalization to make value judgments must be certified by the Board. In addition, appraisers must receive sufficient training each year to maintain their appraisal skills and to learn changes in the property tax laws. Permanently certified appraisers must receive 24 hours of training each year, conducted by or approved by the Board of Equalization. Appraisers who have advanced certificates must undergo 12 hours of training each year.

To meet these training requirements, the Board maintains a Certification and Training Unit within the Assessment Standards Division. During the 1987/88 fiscal year, the unit granted permanent certification to 139 beginning-level appraisers and advanced certification to 89 experienced appraisers who either completed a course of study or passed a special examination.

The Certification and Training Unit also coordinates formal appraisal courses, workshops, and seminars to help appraisers improve their knowledge and skills while meeting the training requirements. During the 1987/88 fiscal year, 927 appraisers attended 44 formal courses conducted by the unit.

Approximately 319 appraisers and clerical personnel also attended nine special-topic workshops and seminars. The training unit approved requests for credit toward the requirement of courses and seminars conducted by community colleges, professional organizations, and assessors' in-service training programs.

In addition, newly appointed and elected assessors were invited to a special one-day seminar conducted by the Board, which discussed the operation of the Board as well as general and specific areas where the Board and the assessors' offices will have contact. A special program for training members of local Assessment Appeals Boards was also in effect.

LEOP

The purpose of the Board's Legal Entity Ownership Program (LEOP) is to discover changes in the control and/or ownership of legal entities, such as partnerships and corporations, and to advise assessors of the changes.

Assessors are required to reappraise real property whenever a change in ownership occurs (in the cases of mergers and the acquisition of corporations and partnerships, a change in control is considered the same as a change in ownership).

Because such changes in control are not accompanied by the filing of legal documents in the local recorder's office, it is difficult for local assessors to discover those changes.

During the year almost 50,000 initial questionnaires were sent to legal entities by the LEOP Section, resulting in the reassessment of approximately 4,000 parcels owned by over 300 legal entities.

Contract Audit Program

Some business properties must be audited every four years by the assessor of the county in which the property is located. However, many of the taxpayers who own these properties maintain accounting records out-of-state and may have property in more than one county in California. Because it is not cost-effective for each county to send staff to distant locations to audit only the portion of the taxpayer's business records affecting that county, several counties have formed cooperatives to handle these audits both within California and out-of-state.

The Board offers the counties a similar audit program through a contract arrangement. Since the Board maintains permanently staffed business tax field offices in Chicago, New York, and Houston, the use of Board tax auditors saves travel expense. During 1987/88, eight counties contracted with the Board for complete mandatory audits. Board staff completed 47 contract audits during the year.

A related program administered by the contract audit manager is the use of out-of-state Board auditors to complete one-year sample audits for the Assessment Standards Division. Thirty-one sample audits were completed under this program in 1987/88.

Contracts for appraisal and appraisal support services were also executed through the contract audit program. Contract work was undertaken in 1987/88 for two county assessors.

Valuation Division

The Valuation Division is responsible for:

- the valuation of state-assessed properties
- valuation of private railroad cars
- maintenance of the tax-rate area mapping program
- auditing of financial records of utility companies.

See the Tax Programs section of this report for information on state-assessed properties and the tax on private railroad cars.

Tax-Rate Area Mapping Program

The Board maintains a Tax-Rate Area Mapping Program in order to allocate the value of railroad properties and nonoperating, nonunitary properties of other state-assessees to their appropriate taxing jurisdictions.

These same tax-rate areas are used by county auditors to allocate all property tax revenues to the appropriate taxing jurisdictions.

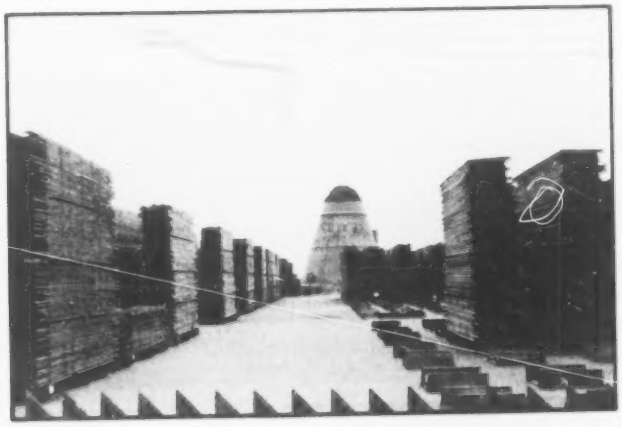
Under the tax-rate area mapping system, a number is assigned to every geographical area in the state for which there is a different distribution of revenues among taxing jurisdictions. Each state assessee is required to report their sub-

ject properties according to the numbered tax-rate areas. From this information, the Board determines the portion of the utility roll that applies to a county, and this amount is reported to county auditors in August of each year for their use in computing local property taxes.

There are more than 8,000 taxing jurisdictions defined as "revenue districts." They include every city and district for which the county officers assess and collect taxes.

The county auditor's job of allocating property tax revenues is greatly simplified because both the Board roll and the local roll follow the same tax rate area coding system.

As of January 1, 1988, there were 49,057 tax-rate areas, an increase of 5.67 percent over the previous year. More than $71.1 billion in state-assessed values were allocated among these tax-rate areas.



Audits

Organized in 1977, the audit unit of the Valuation Division has recovered escape assessments of approximately $3.7 billion. Since the program's inception escape assessments have generated a total of $42.3 million in additional local tax revenues. For 1987/88, the Board adopted escape assessments totaling $2.1 billion.

Because escape assessments enhance the value of a company, their discovery by Board auditors results in added revenues for local governments every year after the escapes are adopted. This in turn reduces the burden on the state's general fund since any shortfall in the property tax which goes to schools is made up by the state on a dollar-for-dollar basis.

Timber Tax Division

The Timber Tax Division was created in 1977 as the result of legislation which took effect in April of that year.

The Timber Yield Tax Act, which was passed to slow the rapid decline of California's timber supply, replaced an ad valorem tax based on trees which were 40 years old or older. Since the ad valorem tax encouraged growers to harvest timber before it was forty years old, the legislature passed the new law to help conserve California's forests.

The Timber Tax Division registers timber owners, provides tax returns, conducts verification audits, and reviews harvest operations. Divison staff members also work on proposed property tax rules and legislation affecting their operation.

The Timber Yield Tax is explained in the Tax Programs section of this report. Additional information can be found in the Appendix.

APPENDIX

Board History

Organization Chart

Board Revenues: Comparison with other Major State Revenues

Statistical Appendix

HISTORY OF THE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor.

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of interconnected railroads. Board consisted of four members elected from Equalization districts and the State Controller.*

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted - assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted - provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted - diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted - state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted . Mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted - Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted - provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted - to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1979 Litter Control, Recycling, and Resources Recovery Act amended, ending the assessment and allocating funding from the state's general fund.

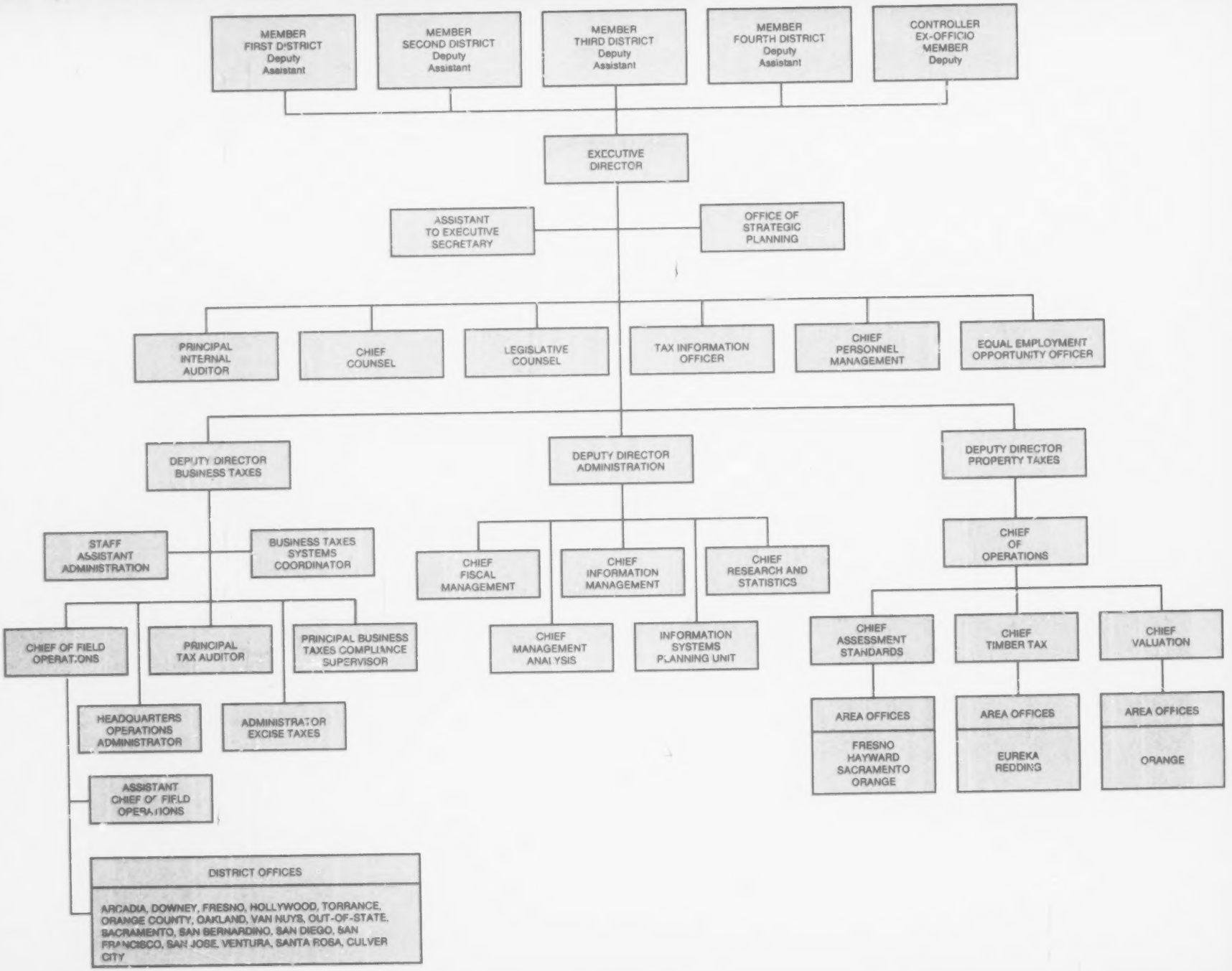
1982 Administration of two hazardous substances taxes assigned to the Board by legislation. Both are imposed on persons who generate hazardous waste and dispose of it in California.

1984 The Moore Universal Telephone Service Act imposed a tax on certain intrastate telecommunications to subsidize basic telephone service for those who cannot afford it. Tax rates, eligibility, and service systems are determined by the Public Utilities Commission. The Board collects the tax.

1987 The Moore Universal Telephone Service Act repealed and reenacted, transferring administration to the Public Utilities Commission.

*The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be an ex officio member of the board."

— California Blue Book or State Roster - 1909


MEMBER FIRST DISTRICT Deputy Assistant
MEMBER SECOND DISTRICT Deputy Assistant
MEMBER THIRD DISTRICT Deputy Assistant
MEMBER FOURTH DISTRICT Deputy Assistant
CONTROLLER EX-OFFICIO MEMBER Deputy
EXECUTIVE DIRECTOR
ASSISTANT TO EXECUTIVE SECRETARY
OFFICE OF STRATEGIC PLANNING
PRINCIPAL INTERNAL AUDITOR
CHIEF COUNSEL
LEGISLATIVE COUNSEL
TAX INFORMATION OFFICER
CHIEF PERSONNEL MANAGEMENT
EQUAL EMPLOYMENT OPPORTUNITY OFFICER
DEPUTY DIRECTOR BUSINESS TAXES
DEPUTY DIRECTOR ADMINISTRATION
DEPUTY DIRECTOR PROPERTY TAXES
STAFF ASSISTANT ADMINISTRATION
BUSINESS TAXES SYSTEMS COORDINATOR
CHIEF FISCAL MANAGEMENT
CHIEF INFORMATION MANAGEMENT
CHIEF RESEARCH AND STATISTICS
CHIEF OF OPERATIONS
CHIEF OF FIELD OPERATIONS
PRINCIPAL TAX AUDITOR
PRINCIPAL BUSINESS TAXES COMPLIANCE SUPERVISOR
CHIEF MANAGEMENT ANALYSIS
INFORMATION SYSTEMS PLANNING UNIT
CHIEF ASSESSMENT STANDARDS
CHIEF TIMBER TAX
CHIEF VALUATION
HEADQUARTERS OPERATIONS ADMINISTRATOR
ADMINISTRATOR EXCISE TAXES
AREA OFFICES
FRESNO HAYWARD SACRAMENTO ORANGE
AREA OFFICES
EUREKA REDDING
AREA OFFICES
ORANGE
ASSISTANT CHIEF OF FIELD OPERATIONS
DISTRICT OFFICES
ARCADIA, DOWNEY, FRESNO, HOLLYWOOD, TORRANCE, ORANGE COUNTY, OAKLAND, VAN NUYS, OUT-OF-STATE, SACRAMENTO, SAN BERNARDINO, SAN DIEGO, SAN FRANCISCO, SAN JOSE, VENTURA, SANTA ROSA, CULVER CITY

BOARD REVENUES COMPARED
(with other major state taxes and licenses)

Fiscal Year Ended June 30, 1988

	Percentages		
	Change from 1986/87	of Grand Total	Revenues
Board of Equalization			
Sales and Use Tax	6.8	32.74	$11,650,530,758
Gasoline and Jet Fuel Tax	3.8	3.22	1,145,697,923
Use Fuel Tax (mostly diesel fuel)	3.7	.41	147,556,008
Insurance Companies Tax	14.8	3.26	1,158,320,761
Cigarette Tax	-.6	.70	250,571,831
Alcoholic Beverage Tax	-1.9	.36	128,733,992
Total (Board of Equalization)	**6.9**	**40.70**	**$14,481,411,273**
Other Revenue Programs			
Personal Income Tax	-7.0	36.39	$12,947,184,732
Bank and Corporation Tax	-.5	13.42	4,776,387,950
Motor Vehicle "in lieu" Tax	12.2	5.16	1,834,424,130
Trailer Coach Fees "in lieu" Tax	6.7	.09	31,679,827
Motor Vehicle Registration and other Fees	7.0	3.10	1,101,390,252
Estate Tax	19.1	.80	284,243,309
Inheritance Tax	-41.8	.05	19,277,255
Gift Tax	-50.9	.—	627,283
Horse Racing Revenue	-4.4	.30	106,272,912
Total (other agencies)	**-3.2**	**59.30**	**$21,101,487,650**
GRAND TOTAL	**.7**	**100.00**	**$35,582,898,923**

Source: State Controller's "Summary Statement of Revenues for the General Fund and Other Governmental Cost Funds." Fiscal Year ended June 30, 1988.

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ADMINISTRATION

TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1987 to June 30, 1988
(in thousands of dollars)

Function	Expenditures	
	1986–87	1987–88
	2	3
Personal services	$108,847	$114,826
Operating expenses and equipment:		
General expenses	3,937	3,393
Printing	1,259	1,420
Communications	1,863	1,767
Postage	1,340	1,454
Insurance	24	21
Travel—in-state	2,171	2,227
Travel—out-of-state	1,330	1,486
Training	86	181
Facilities operation	6,043	6,557
Utilities	64	66
Consulting & Professional Services—Interdepartmental	6,755	6,909
Consulting & Professional Services—External	223	248
Consolidated Data Center	37	42
Data Processing	2,064	1,617
Central Administrative Services	345	317
Equipment	2,672	2,488
Other Items of Expense	–	111
TOTALS, Operating Expenses and Equipment	$30,213	$30,304
Totals, Expenditures	$139,060	$145,130
Reimbursements	−33,882	−38,434
Special Funds	−8,825	−8,582
Net Expenditures (General Fund)	$96,353	$98,114

TABLE 2—SUMMARY OF REVENUES FROM TAXES ADMINISTERED BY THE BOARD, BY FISCAL YEAR, 1977–78 TO 1987–88

(In thousands of dollars)

Revenue source	1977–78	1982–83	1986–87	1987–88
1	2	3	4	5
Local taxes on state-assessed properties [a]	$725,268	$462,241	$692,000	$724,544
Private car taxes [a]	8,277	4,133	3,406	2,571
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	810,020	880,586	1,125,715	1,160,099
Jet fuel tax	692	703	966	1,099
Subtotals	810,712	881,289	1,126,681	1,161,198
Use fuel tax [c]	66,044	93,232	142,297	147,581
Fees	23	39	32	35
Subtotals	66,067	93,271	142,329	147,616
Fuel total	876,779	974,560	1,269,010	1,308,814
Sales and use taxes and fees: [c]				
State taxes	5,028,659	7,795,554	10,901,096	11,662,040
City and county sales taxes	1,053,430	1,619,263	2,265,847	2,446,676
County transportation tax	263,127	406,360	566,714	612,766
Bay Area Rapid Transit District taxes [m]	56,063	85,310	118,335	126,213
Southern California Rapid Transit District taxes [n]	189	—	—	—
Santa Clara County Transit District taxes [o]	31,394	53,782	71,933	78,705
Santa Cruz Metropolitan Transit District taxes [p]	—	5,496	7,549	9,140
Los Angeles County Transportation Commission taxes [q]	—	196,433	329,418	355,939
San Mateo County Transit District taxes [s]	—	16,786	28,996	32,304
Santa Clara County Traffic Authority taxes [t]	—	—	69,527	76,885
Alameda County Transportation Authority taxes [u]	—	—	6,829	50,130
Fresno County Transportation Authority taxes [v]	—	—	—	18,694
San Diego County Regional Transportation Commission taxes [w]	—	—	—	12,056
Fees	308	475	875	1,931
Totals	6,433,170	10,179,459	14,367,118	15,483,480
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	22,974	27,690	30,647	30,584
Taxes on distilled spirits	109,086	108,519	100,641	98,151
Totals	132,060	136,209	131,287	128,734
Cigarette tax [c, d]	274,102	271,621	252,031	250,572
Electrical Energy Tax [e]	17,660	30,726	35,141	36,942
Emergency Telephone Users' Surcharge [f]	8,747	23,057	37,344	40,532
Universal Telephone Service Tax [g]	—	—	48,284	13,120
Timber Yield Tax [h]	27,100	10,069	14,376	18,091
Timber Reserve Fund Tax [i]	2,211	14,195	—	—
Hazardous Waste Control Tax [j]	—	5,758	24,300	35,207
Hazardous Substance Tax [k]	—	10,307	16,390	14,774
Grand totals	$8,505,374	$12,122,335	$16,890,687	$18,057,381

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] Includes $82,231,000 in 1977–78, $81,486,000 in 1982–83, $75,609,000 in 1986–87 and $75,172,000 in 1987–88 earmarked for cities and counties.

[e] This tax became effective January 1, 1975.

[f] This tax became effective July 1, 1977.

[g] This tax became effective April 1, 1977, but no revenue was due until 1977–78. Administration of this tax was transferred to the Public Utilities Commission effective July 16, 1987.

[h] This tax became effective July 1, 1984.

[i] This tax was effective from April 1, 1977 through December 31, 1982.

[j] Administration of this tax was transferred to the Board from the Department of Health Services in fiscal year 1981–82.

[k] This tax was first levied in 1981–82 on hazardous waste generated in calendar year 1981.

[l] Insurance taxes amounted to $1,089,386,000 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[m] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $30,028,035 for 1986–87 and $31,905,376 for 1987–88 including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BARTD.

[n] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[o] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[p] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[q] This one-half of one percent tax became effective July 1, 1982, in Los Angeles County.

[s] This one-half of one percent tax became effective July 1, 1982, in San Mateo County.

[t] This one-half of one percent tax became effective April 1, 1985 in Santa Clara County.

[u] This one-half of one percent tax became effective April 1, 1987 in Alameda County.

[v] This one-half of one percent tax became effective July 1, 1987 in Fresno County.

[w] This one-half of one percent tax became effective April 1, 1988 in San Diego County.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1986–87 and 1987–88

(In thousands of dollars)

Programs	Board expenditures [a]		Non-board expenditures [b]		Total costs	
	1986–87	1987–88	1986–87	1987–88	1986–87	1987–88
1	2	3	4	5	6	7
County assessment standards	$4,902	$5,695	$262	$297	$5,164	$5,992
State-assessed property [c]	4,871	5,256	253	293	5,124	5,549
Timber tax	1,932	1,952	—	—	1,932	1,952
Sales and use tax	115,957	120,574	5,146	4,767	121,103	125,341
Hazardous substances tax	1,680	1,630	61	51	1,741	1,681
Alcoholic beverage tax	1,201	1,390	44	49	1,245	1,639
Cigarette tax	2,001	1,867	78	61	2,079	1,928
Motor vehicle fuel license tax [d]	712	694	—	—	712	694
Use fuel tax	3,812	3,778	—	—	3,812	3,778
Electrical energy tax	75	78	—	—	75	78
Emergency telephone users' surcharge	151	179	—	—	151	179
Insurance tax	127	158	31	47	158	205
Universal telephone service tax	170	190	—	—	170	190
Appeals from other governmental programs	1,105	1,200	43	39	1,148	1,239
Administration and support						
Distributed to other programs [e]	(11,766)	(12,447)	—	—	(11,766)	(12,447)
Non-board programs (reimbursable)	364	289	—	—	364	289
Totals, programs	139,060	145,130	5,918	5,604	144,978	150,734
Reimbursements	−33,882	−38,434	—	—	−33,882	−38,434
Special Funds	−8,825	−8,382	—	—	−8,825	−8,582
Net totals, programs	$96,353	$98,314	$5,918	$5,604	$102,271	$103,718

[a] Format conforms to Program Budget presentation.
[b] Includes a portion of the cost of operating central agencies that perform services for the Board, such as offices of the Attorney General, the State Controller, and the State Personnel Board.
[c] Includes the cost of assessing and collecting the private car tax.
[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.
[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1986–87 AND 1987–88 [a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1986–87	1987–88	1986–87	1987–88	1986–87	1987–88
1	2	3	4	5	6	7
Local taxes on state-assessed property	$695,406	$727,115	.70	.72	.74	.76
Timber tax	14,376	18,091	13.44	10.79	13.44	10.79
Sales and use tax	14,367,118	15,483,480	.81	.78	.84	.81
Hazardous substance tax	40,690	49,961	4.13	3.26	4.28	3.36
Alcoholic beverage tax	131,287	128,734	.91	1.24	.95	1.27
Cigarette tax	252,031	250,572	.79	.75	.82	.77
Motor vehicle fuel taxes [b]	1,269,010	1,308,814	.36	.34	.36	.34
Electrical energy tax	35,141	36,942	.21	.21	.21	.21
Emergency telephone users' surcharge	37,344	40,532	.40	.44	.40	.44
Universal telephone service tax	48,284	13,120	.35	1.45	.35	1.45
Totals and ratios	$16,890,687	$18,057,381	.78	.76	.82	.79

[a] Format conforms to Program Budget presentation.
[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES AND AVERAGE TAX RATES, 1978–79 to 1988–89 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1978–79	1979–80	1980–81	1981–82 [f]	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88	1988–89
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	37,137	43,335	52,199	238,486	263,447	282,952	312,655	343,274	368,080	403,849	444,011
Improvements	58,316	68,106	79,430	359,878	404,347	437,334	480,170	527,145	581,496	645,242	707,577
Totals	95,453	111,441	131,629	598,364	667,794	720,286	792,825	870,419	949,576	1,049,091	1,151,588
Tangible personal property	14,481	16,834	8,430	38,404	43,945	46,661	52,282	60,893	66,514	72,819	78,742
Gross tangible property totals	109,934 [d]	128,275	140,059	636,768	711,739	766,947	845,108	931,312	1,016,090	1,121,910	1,230,330
Exemptions:											
Homeowners' exemption	6,938	7,006	7,169	29,138	29,421	29,563	29,801	30,209	30,691	31,222	31,754
Business inventory exemption	4,203	4,997	[e]	[e]	[e]	[e]	[e]	[e]	[e]	[e]	[e]
All other exemptions [b]	2,806	2,895	3,184	14,553	15,460	16,794	18,583	19,416	21,395	24,165	25,945
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	107,130 [d]	125,380	136,874	622,215	696,279	750,154	826,524	911,896	994,695	1,097,745	1,204,385
Net of all exemptions	95,987 [d]	113,377	129,706	593,077	666,858	720,590	796,723	881,687	964,004	1,066,523	1,172,632
State Board of Equalization:											
Land	460	487	547	2,895	3,390	3,905	4,900	5,248	5,894	6,769	6,730
Improvements	6,001	6,546	6,911	30,430	34,896	40,632	44,724	48,716	54,991	57,259	60,925
Totals	6,461	7,033	7,458	33,325	38,286	44,537	49,624	53,964	60,884	64,028	67,655
Tangible personal property	461	408	407	2,387	2,546	2,680	2,591	2,760	3,107	3,284	3,477
Gross tangible property totals	6,922	7,441	7,865	35,712	40,833	47,217	52,214	56,724	63,992	67,312	71,131
Business inventory exemptions	48	51	[e]	[e]	[e]	[e]	[e]	[e]	[e]	[e]	[e]
Net tangible property totals	6,874	7,390	7,865	35,712	40,833	47,217	52,214	56,724	63,992	67,312	71,131
Totals all property:											
Land	37,598	43,822	52,746	241,381	266,837	286,857	317,556	348,522	373,973	410,619	450,740
Improvements	64,317	74,652	86,341	390,308	439,243	477,966	524,894	575,861	636,487	702,501	768,502
Totals	101,915	118,474	139,087	631,689	706,080	764,823	842,449	924,383	1,010,460	1,113,120	1,219,242
Tangible personal property	14,943	17,242	8,837	40,792	46,491	49,341	54,873	63,653	69,622	76,103	82,219
Gross tangible property totals	116,858 [d]	135,715	147,924	672,481	752,572	814,164	897,322	988,036	1,080,082	1,189,223	1,301,461
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	114,052 [d]	132,821	144,739	657,928	737,112	797,370	878,739	968,620	1,058,687	1,165,057	1,275,516
Net of all exemptions	102,862 [d]	120,767	137,570	628,789	707,691	767,807	848,937	938,412	1,027,995	1,133,835	1,243,763
Statewide average tax rates (per $100 assessed valuation)	$4.79	$4.69	$4.63	$1.144	$1.131	$1.126	$1.113	$1.096	$1.083	$1.078	—

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, religious properties, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals in millions of dollars:

	County assessors	Totals all property
Gross tangible property totals	$112,620	$119,542
Net tangible property totals		
Net of "all other exemptions"	109,815	116,737
Net of all exemptions	98,673	105,547

[e] Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82.

NOTE: Detail may not add to total because of rounding.

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1988–89 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$19,616,641	$32,079,303	$3,708,260	$1,268,896	$54,135,308	9.3
Alpine	60,070	89,555	7,740	342	157,024	2.1
Amador	423,495	923,861	43,338	8,834	1,381,860	8.5
Butte	1,874,656	3,834,714	302,398	156,613	5,855,155	5.9
Calaveras	598,021	988,621	63,985	10,802	1,639,824	7.2
Colusa	575,079	445,076	101,563	11,171	1,110,548	4.1
Contra Costa	13,791,563	28,965,762	1,891,274	545,435	44,103,164	9.8
Del Norte	189,684	322,819	39,242	16,948	534,797	6.7
El Dorado	1,799,517	3,972,907	170,920	53,309	5,890,036	9.4
Fresno	6,690,479	14,200,657	1,614,787	456,015	22,049,908	7.1
Glenn	456,535	534,975	114,943	10,065	1,096,388	3.1
Humboldt	1,146,570	2,511,836	301,782	86,314	3,873,874	6.7
Imperial	1,536,004	1,881,591	266,955	32,134	3,652,416	8.0
Inyo	808,728	475,283	44,245	17,025	1,311,231	3.3
Kern	16,071,409	14,234,446	1,617,420	374,446	31,548,829	3.5
Kings	814,369	1,687,323	220,946	57,214	2,665,424	4.9
Lake	1,109,643	1,542,586	83,764	27,142	2,708,851	1.0
Lassen	323,136	517,994	50,989	8,360	883,759	7.8
Los Angeles	132,818,669	205,347,642	22,487,906	7,793,153	352,861,064	9.9
Madera	1,028,520	2,151,179	208,515	37,026	3,351,188	6.2
Marin	5,104,886	9,386,173	363,572	306,622	14,548,009	7.5
Mariposa	277,185	375,154	27,236	6,088	673,487	5.7
Mendocino	1,127,973	1,762,005	163,075	62,024	2,991,029	5.7
Merced	1,668,028	3,261,399	276,643	67,484	5,138,587	5.8
Modoc	275,436	209,978	28,477	2,873	511,018	1.0
Mono	443,615	814,746	34,005	7,383	1,284,984	5.4
Monterey	4,796,666	8,738,630	613,418	213,894	13,934,820	6.6
Napa	1,892,580	3,459,996	267,072	182,726	5,436,923	9.3
Nevada	1,287,897	2,430,277	87,810	25,252	3,780,733	10.1
Orange	51,682,307	67,162,780	8,564,257	1,606,024	125,803,320	10.4
Placer	2,842,436	5,877,974	408,381	105,614	9,023,177	15.1
Plumas	421,363	1,063,109	36,383	9,139	1,511,717	4.7
Riverside	15,123,744	27,949,276	1,588,162	858,350	43,802,832	12.5
Sacramento	9,522,009	24,388,275	1,902,901	901,584	34,911,601	10.3
San Benito	547,828	785,137	87,636	8,504	1,412,098	8.8
San Bernardino	12,310,840	32,701,122	1,984,754	1,045,118	45,951,598	12.5
San Diego	38,431,248	61,383,273	5,557,965	1,819,679	103,552,808	10.6
San Francisco	13,689,483	27,782,104	2,974,647	1,284,280	43,161,954	8.9
San Joaquin	4,532,346	9,733,610	1,441,913	450,898	15,256,970	9.0
San Luis Obispo	3,804,852	8,843,944	510,094	83,805	13,075,085	11.0
San Mateo	12,307,312	23,909,009	3,620,820	950,451	38,886,691	8.8
Santa Barbara	6,707,387	10,383,412	1,023,952	458,385	17,656,366	8.5
Santa Clara	24,138,942	39,505,731	11,244,212	2,623,959	82,264,925	8.3
Santa Cruz	3,772,733	5,748,604	493,906	220,868	9,794,375	8.4
Shasta	1,485,065	3,725,110	278,073	132,053	5,356,196	7.8
Sierra	126,679	136,295	12,193	5,193	269,974	14.3
Siskiyou	615,128	976,634	99,255	28,429	1,662,589	1.8
Solano	3,154,542	7,105,615	742,364	111,655	10,890,866	12.2
Sonoma	6,192,102	10,916,942	837,470	265,467	17,681,046	9.9
Stanislaus	3,155,356	7,692,817	581,702	252,176	11,177,699	8.8
Sutter	920,697	1,370,760	143,773	32,723	2,402,506	6.6
Tehama	517,588	1,041,094	85,722	35,122	1,609,282	4.5
Trinity	211,165	284,182	30,579	3,071	522,854	6.6
Tulare	2,300,666	5,869,648	607,300	116,957	8,660,658	6.7
Tuolumne	780,616	1,320,734	123,431	30,374	2,194,407	4.8
Ventura	10,922,670	19,271,128	1,616,499	551,101	31,259,196	10.3
Yolo	1,425,836	3,334,574	299,912	79,341	4,980,980	6.6
Yuba	490,031	1,093,056	118,241	28,966	1,672,361	5.8
Totals	$450,740,030	$768,502,436	$82,218,778	$25,944,877	$1,275,516,366	9.5

[a] The value of the homeowners' exemption, $31,753,571,000 has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $328,270,000 and are subject to exclusive state taxation.

NOTE: Detail may not add to total due to rounding.

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1988–89

(In thousands of dollars)

County	Land	Improvements	Personal property [a]	Total	Percent change year to year
1	2	3	4	5	6
Alameda	$253,252	$2,221,634	$315,882	$2,790,767	10.7
Alpine	3,567	10,859	9	14,434	5.1
Amador	8,802	203,850	4,570	217,222	10.0
Butte	27,234	543,661	25,770	596,666	8.1
Calaveras	4,173	111,743	1,435	117,291	5.2
Colusa	2,933	95,820	930	99,683	11.5
Contra Costa	258,167	2,270,761	269,754	2,798,682	4.4
Del Norte	493	24,905	882	26,280	7.3
El Dorado	8,468	281,196	3,099	292,764	11.7
Fresno	121,398	2,562,291	34,491	2,718,180	12.4
Glenn	4,163	99,806	619	104,587	6.9
Humboldt	9,667	266,394	5,235	281,296	7.9
Imperial	21,470	215,137	2,398	239,006	−23.4
Inyo	9,656	84,886	1,421	95,962	8.7
Kern	97,080	1,494,506	34,893	1,626,479	10.8
Kings	12,893	208,873	2,666	224,432	5.0
Lake	7,481	246,984	2,624	257,088	10.4
Lassen	8,896	81,238	2,324	92,458	.2
Los Angeles	2,383,434	11,514,339	633,168	14,530,940	1.5
Madera	67,189	356,261	3,553	427,003	11.4
Marin	52,473	415,668	8,913	477,054	7.0
Mariposa	10,586	93,504	89	104,178	7.6
Mendocino	8,015	183,716	2,318	194,049	6.2
Merced	29,820	327,918	16,405	374,143	6.3
Modoc	4,440	57,402	2,327	64,169	−1.7
Mono	4,745	60,865	84	65,694	9.6
Monterey	34,673	971,037	38,475	1,044,185	2.6
Napa	7,086	184,124	4,047	195,257	7.7
Nevada	25,090	275,329	1,395	301,813	40.3
Orange	627,083	3,335,537	229,205	4,191,825	7.4
Placer	60,820	831,918	28,925	921,663	67.9
Plumas	46,357	496,713	3,908	546,978	8.0
Riverside	115,502	1,932,503	50,334	2,098,339	4.7
Sacramento	121,984	1,388,164	79,428	1,589,575	8.4
San Benito	4,779	94,211	455	99,445	.3
San Bernardino	299,447	3,279,107	120,986	3,699,540	3.9
San Diego	379,125	6,862,617	666,572	7,908,314	2.9
San Francisco	306,153	2,088,142	317,603	2,711,898	3.8
San Joaquin	204,139	902,795	26,961	1,133,835	8.9
San Luis Obispo	78,033	4,078,113	155,388	4,311,534	8.5
San Mateo	138,826	964,843	108,557	1,212,227	3.2
Santa Barbara	159,607	595,111	14,724	769,442	6.3
Santa Clara	221,228	2,172,395	70,570	2,464,194	5.9
Santa Cruz	14,850	264,648	4,135	283,632	2.4
Shasta	44,024	852,008	16,202	912,233	9.1
Sierra	17,215	29,356	385	46,955	16.8
Siskiyou	20,470	153,856	9,386	183,711	1.6
Solano	36,642	515,413	7,840	559,895	5.7
Sonoma	24,856	1,110,937	18,766	1,154,561	5.8
Stanislaus	42,007	393,645	6,744	442,396	5
Sutter	6,535	158,389	1,553	166,477	6.7
Tehama	7,115	194,334	2,250	203,699	11.1
Trinity	1,088	49,386	525	50,999	10.5
Tulare	40,246	604,959	10,791	655,996	5.1
Tuolumne	5,419	141,803	1,548	148,770	6.5
Ventura	179,770	1,426,824	84,156	1,690,750	4.5
Yolo	27,148	258,976	13,120	299,244	3.4
Yuba	11,762	283,585	5,775	301,122	7.1
Totals	$6,729,518	$60,924,994	$3,476,504	$71,131,017	5.7

[a] Excludes railroad cars operated by private car companies, which were assessed at $328,270,000 and are subject to exclusive state taxation.

NOTE: Detail may not add to total due to rounding.

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1988–89 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$19,363,389	$29,857,669	$3,392,379	$1,268,896	$51,344,541	9.2
Alpine	56,503	78,696	7,732	342	142,589	1.8
Amador	414,694	720,010	38,768	8,834	1,164,638	8.2
Butte	1,847,422	3,291,052	276,629	156,613	5,258,490	5.7
Calaveras	593,908	876,878	62,550	10,802	1,522,533	7.3
Colusa	572,146	349,256	100,633	11,171	1,010,865	3.4
Contra Costa	13,533,396	26,695,001	1,621,520	545,435	41,304,482	10.1
Del Norte	189,191	297,913	38,360	16,948	508,516	6.7
El Dorado	1,791,049	3,691,711	167,821	53,309	5,597,272	9.3
Fresno	6,569,081	11,638,366	1,580,295	456,015	19,331,728	6.4
Glenn	452,372	435,169	114,324	10,065	991,800	2.7
Humboldt	1,136,903	2,245,442	296,547	86,314	3,592,578	6.6
Imperial	1,514,534	1,666,454	264,557	32,134	3,413,410	11.2
Inyo	799,072	390,398	42,824	17,025	1,215,269	2.9
Kern	15,974,329	12,739,940	1,582,527	374,446	29,922,350	3.1
Kings	801,476	1,478,450	218,280	57,214	2,440,992	4.9
Lake	1,102,163	1,295,602	81,140	27,142	2,451,763	−2.1
Lassen	314,240	436,756	48,665	8,360	791,301	8.8
Los Angeles	130,435,235	193,833,303	21,854,738	7,793,153	338,330,123	10.3
Madera	961,331	1,794,918	204,962	37,026	2,924,186	5.5
Marin	5,052,414	8,970,505	354,659	306,622	14,070,955	7.5
Mariposa	266,599	281,650	27,147	6,088	569,308	5.4
Mendocino	1,119,958	1,578,289	160,758	62,024	2,796,980	5.7
Merced	1,638,208	2,933,481	260,239	67,484	4,764,444	5.8
Modoc	270,995	152,575	26,151	2,873	446,849	1.5
Mono	438,870	753,882	33,921	7,383	1,219,289	5.2
Monterey	4,761,993	7,767,593	574,943	213,894	12,890,635	7.0
Napa	1,885,494	3,275,872	263,025	182,726	5,241,666	9.4
Nevada	1,262,808	2,154,949	86,415	25,252	3,478,920	8.1
Orange	51,055,224	63,827,244	8,335,052	1,606,024	121,611,495	10.5
Placer	2,781,616	5,046,056	379,456	105,614	8,101,513	11.1
Plumas	375,007	566,396	32,475	9,139	964,738	2.9
Riverside	15,008,242	26,016,774	1,537,828	858,350	41,704,494	12.9
Sacramento	9,400,025	23,000,111	1,823,473	901,584	33,322,026	10.4
San Benito	543,049	690,926	87,181	8,504	1,312,652	9.5
San Bernardino	12,011,394	29,422,015	1,863,768	1,045,118	42,252,058	13.3
San Diego	38,052,123	54,520,656	4,891,394	1,819,679	95,644,493	11.3
San Francisco	13,383,330	25,693,962	2,657,044	1,284,280	40,450,057	9.2
San Joaquin	4,328,207	8,830,815	1,415,011	450,898	14,123,135	9.0
San Luis Obispo	3,726,819	4,765,831	354,706	83,805	8,763,551	12.3
San Mateo	12,168,486	22,944,166	3,512,263	950,451	37,674,464	9.0
Santa Barbara	6,547,780	9,788,301	1,909,228	458,385	16,886,924	8.6
Santa Clara	23,917,714	47,333,335	11,173,642	2,623,959	79,800,732	8.4
Santa Cruz	3,757,883	5,483,957	489,771	220,868	9,510,743	8.6
Shasta	1,441,041	2,873,103	261,871	132,053	4,443,962	7.6
Sierra	109,465	106,939	11,809	5,193	223,020	13.8
Siskiyou	594,658	822,779	89,570	28,429	1,478,878	1.8
Solano	3,117,900	6,590,202	734,524	111,655	10,330,971	12.6
Sonoma	6,167,243	9,806,004	818,704	265,467	16,526,485	10.2
Stanislaus	3,113,349	7,299,172	574,958	252,176	10,735,302	9.1
Sutter	914,162	1,212,370	142,220	32,723	2,236,029	6.5
Tehama	510,473	846,759	83,472	35,122	1,405,583	3.6
Trinity	210,076	234,796	30,055	3,071	471,855	6.2
Tulare	2,260,420	5,264,690	596,509	116,957	8,004,662	6.8
Tuolumne	775,197	1,178,931	121,883	30,374	2,045,637	4.7
Ventura	10,742,900	17,844,304	1,532,343	551,101	29,568,446	10.7
Yolo	1,398,688	3,075,597	286,792	79,341	4,681,735	6.8
Yuba	478,269	809,471	112,466	28,966	1,371,240	5.5
Totals	$444,010,512	$707,577,441	$78,742,274	$25,944,877	$1,204,385,349	9.7

[a] The value of the homeowners' exemption, $31,753,571,000 has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

NOTE: Detail may not add to total due to rounding.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1988–89

(Assessed values in thousands of dollars)

County	Number of Veterans' exemptions [a]	Exempt value			
		Veterans [a]	College	Church	Religious
1	2	3	4	5	6
Alameda	260	$13,682	$83,073	$15,790	$159,535
Alpine	1	54	—	39	—
Amador	19	958	—	157	3,639
Butte [b]	115	6,064	—	99	50,133
Calaveras	19	1,123	—	—	7,075
Colusa	13	179	—	3,371	—
Contra Costa	204	11,607	47,484	2,405	164,348
Del Norte [b]	22	592	—	42	5,355
El Dorado	80	5,281	—	484	18,955
Fresno [b]	208	8,615	17,298	35,622	95,646
Glenn	15	360	—	13	7,518
Humboldt [b]	51	2,321	—	2,680	17,302
Imperial	46	686	—	384	22,045
Inyo	11	294	4,381	2,180	4,637
Kern	174	3,654	—	145,659	—
Kings	29	1,110	—	2,083	15,442
Lake	73	2,353	—	101	9,510
Lassen	31	603	—	—	5,500
Los Angeles [b]	1,354	60,732	1,217,344	68,878	1,339,635
Madera	46	1,732	—	81	18,342
Marin	74	4,911	44,680	18,197	26,812
Mariposa	21	972	—	214	3,210
Mendocino [b]	27	1,298	650	972	8,905
Merced [b]	126	5,349	—	5,100	33,111
Modoc	14	163	—	8	1,471
Mono [b]	1	63	—	617	2,362
Monterey	265	14,587	4,454	9,857	44,577
Napa [b]	42	2,270	30,039	6,042	22,301
Nevada [b]	68	4,099	—	286	11,719
Orange [b]	577	35,181	87,079	23,318	373,166
Placer	85	5,073	—	5,233	26,268
Plumas	18	962	—	855	4,900
Riverside [b]	442	24,249	33,780	1,769	154,118
Sacramento [b]	549	29,006	27,877	65,609	151,842
San Benito [b]	6	466	—	224	5,097
San Bernardino [b]	547	22,850	84,600	65,418	152,516
San Diego	1,323	76,651	135,114	30,662	308,535
San Francisco	97	4,952	122,384	45,555	129,771
San Joaquin	121	5,961	93,454	1,795	106,935
San Luis Obispo	68	4,218	29	5,922	40,988
San Mateo	153	9,794	253,503	10,833	106,592
Santa Barbara	151	9,013	24,289	4,703	75,219
Santa Clara	306	18,168	1,471,090	78,541	194,169
Santa Cruz [b]	69	3,823	5,626	36,173	—
Shasta [b]	88	4,370	658	492	41,908
Sierra	7	81	—	—	1,151
Siskiyou	55	1,056	—	—	10,005
Solano [b]	320	15,896	—	4,603	31,961
Sonoma [b]	171	10,565	—	6,880	48,532
Stanislaus	89	4,146	—	12,852	94,419
Sutter [b]	33	2,041	—	463	17,427
Tehama [b]	34	1,241	—	48	10,529
Trinity	6	153	—	71	2,196
Tulare [b]	85	2,852	—	1,019	69857
Tuolumne [b]	45	1,613	4	1,843	10,243
Ventura	189	11,512	43,568	26,391	108,202
Yolo [b]	44	1,988	—	1,613	21,155
Yuba [b]	52	1,828	—	—	11,183
Totals	9,139	$465,468	$3,832,456	$754,245	$4,407,650

[a] Disabled veterans included in these figures numbered 8,161 with an exempt value of $462,414,000. Comparable figures for 1987–88 were 8,165 and $450,824,000.

[b] An additional exemption enacted by the Legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $2,000. Seven counties adopted ordinances and exempted the following amounts on the 1988 rolls: Fresno, $620,000; Humboldt, $615,000; Mendocino, $219,000; Sonoma, $4,202,000; Sutter, $650,000; Tehama, $463,000; and Yuba, $594,000. An additional 18 counties: Butte, Del Norte, Los Angeles, Merced, Mono, Napa, Nevada, Orange, Riverside, Sacramento, San Benito, San Bernardino, Santa Cruz, Shasta, Solano, Tulare, Tuolumne and Yolo have adopted ordinances and exempt low value properties by assigning them a taxable value of zero.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1988–89—Concluded

(Assessed values in thousands of dollars)

County	Exempt value				Total exempt value as percent of tax base [e]
	Welfare				
	Schools below college grade	Hospitals	Other charitable properties [c]	Total [d]	
7	8	9	10	11	12
Alameda	—	$405,891	$590,925	$1,268,896	2.3
Alpine	—	—	249	342	.2
Amador	—	—	4,080	8,834	.6
Butte	—	79,831	20,486	156,613	2.7
Calaveras	—	—	2,596	10,793	.7
Colusa	$237	6,926	433	11,146	1.0
Contra Costa	36,975	191,724	90,777	545,380	1.2
Del Norte	374	6,370	4,215	16,948	3.2
El Dorado	1,435	10,782	16,372	53,309	.9
Fresno	22,082	170,996	105,135	456,015	2.1
Glenn	—	—	2,174	10,065	.9
Humboldt	6,627	25,433	30,696	85,674	2.2
Imperial	3,180	—	6,161	32,455	.9
Inyo	866	—	4,666	17,025	1.3
Kern	12,629	164,486	48,938	375,367	1.2
Kings	3,963	24,125	10,491	57,214	2.1
Lake	176	8,684	6,318	27,142	1.0
Lassen	2,222	—	5	8,330	.9
Los Angeles	333,915	2,733,103	2,044,781	7,798,387	2.2
Madera	217	11,872	4,777	37,021	1.1
Marin	39,142	65,214	107,900	306,856	2.1
Mariposa	—	—	1,686	6,081	.9
Mendocino	4,163	13,976	31,323	61,505	2.1
Merced	2,556	13,863	7,505	67,484	1.3
Modoc	312	—	919	2,873	.6
Mono	—	4,126	202	7,370	.6
Monterey	16,241	60,717	63,461	213,894	1.5
Napa	11,840	90,882	19,353	182,726	3.4
Nevada	1,788	—	7,360	25,252	.7
Orange	84,571	547,065	455,655	1,606,035	1.3
Placer	2,980	26,315	39,746	105,614	1.2
Plumas	—	—	2,421	9,139	.6
Riverside	20,962	364,314	258,598	857,790	2.0
Sacramento	32,045	472,963	122,242	901,584	2.6
San Benito	1,394	—	1,323	8,504	.6
San Bernardino	34,219	406,239	225,038	990,880	2.2
San Diego	82,826	433,870	751,031	1,818,689	1.8
San Francisco	4,768	373,952	647,984	1,329,366	3.1
San Joaquin	11,769	160,339	70,645	450,898	3.0
San Luis Obispo	9,385	—	15,044	75,525	.6
San Mateo	63,545	259,799	246,573	950,640	2.4
Santa Barbara	35,595	134,849	174,680	458,348	2.6
Santa Clara	65,495	318,623	478,204	2,624,288	3.2
Santa Cruz	7,273	72,175	95,798	220,868	2.3
Shasta	3,265	50,012	31,349	132,053	2.5
Sierra	—	2,713	1,224	5,169	1.9
Siskiyou	—	10,874	6,494	28,429	1.7
Solano	7,447	34,341	18,483	112,721	1.0
Sonoma	16,119	66,390	112,897	265,586	1.5
Stanislaus	12,041	39,374	82,957	245,789	2.2
Sutter	1,073	9,315	1,754	32,723	1.4
Tehama	1,575	13,560	7,453	34,869	2.2
Trinity	279	—	373	3,071	.6
Tulare	1,167	5,981	36,453	117,028	1.4
Tuolumne	1,152	10,432	5,088	30,374	1.4
Ventura	33,681	142,799	184,949	551,101	1.8
Yolo	5,042	24,216	25,356	79,351	1.6
Yuba	—	—	15,361	28,966	1.7
Totals	$1,040,546	$8,069,512	$7,349,153	$25,926,394	2.0

[c] General welfare agencies, youth service agencies and religious properties other than churches.

[d] Includes all enrolled exemptions except those arising from the homeowners' exemption law.

[e] The tax base includes the values of the homeowners' exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1988–89 *

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$55,404,204	224,663	$1,538,249	$1,268,896	$2,807,145	$52,597,059
Alpine	157,365	182	1,270	342	1,611	155,754
Amador	1,390,694	5,658	39,528	8,834	48,362	1,342,332
Butte	6,011,768	35,422	247,940	156,613	404,553	5,607,215
Calaveras	1,650,626	6,988	48,915	10,802	59,717	1,590,909
Colusa	1,121,718	3,019	21,053	11,171	32,223	1,089,495
Contra Costa	44,648,599	172,507	1,207,527	545,435	1,752,962	42,895,637
Del Norte	551,745	3,724	25,746	16,948	42,694	509,051
El Dorado	5,943,345	24,163	168,798	53,309	222,107	5,721,238
Fresno	22,505,923	94,429	660,295	456,015	1,116,309	21,389,613
Glenn	1,106,453	4,511	31,492	10,065	41,557	1,064,896
Humboldt	3,960,188	22,315	156,202	86,314	242,515	3,717,672
Imperial	3,684,550	14,423	99,817	32,134	131,951	3,552,599
Inyo	1,328,256	3,208	22,155	17,025	39,180	1,289,077
Kern	31,923,275	81,207	564,930	374,446	939,376	30,983,899
Kings	2,722,638	12,880	89,560	57,214	146,775	2,575,863
Lake	2,735,993	11,441	79,801	27,142	106,943	2,629,050
Lassen	892,119	4,780	33,151	8,360	41,511	850,608
Los Angeles	360,654,217	1,144,400	8,002,443	7,793,153	15,795,596	344,858,621
Madera	3,388,214	13,666	95,528	37,026	132,554	3,255,660
Marin	14,854,632	50,830	355,311	306,622	661,933	14,192,698
Mariposa	679,575	3,085	20,746	6,088	26,834	652,741
Mendocino	3,053,053	14,351	100,450	62,024	162,474	2,890,579
Merced	5,206,070	23,800	166,211	67,484	233,695	4,972,376
Modoc	513,891	2,297	15,881	2,873	18,754	495,137
Mono	1,292,367	1,273	8,874	7,383	16,257	1,276,110
Monterey	14,148,714	45,707	319,914	213,894	533,808	13,614,906
Napa	5,619,649	20,461	143,043	182,726	325,769	5,293,880
Nevada	3,805,985	16,675	116,518	25,252	141,769	3,664,215
Orange	127,409,344	390,740	2,766,543	1,606,024	4,372,568	123,036,776
Placer	9,128,790	34,417	240,746	105,614	346,360	8,782,430
Plumas	1,520,856	4,623	32,250	9,139	41,389	1,479,467
Riverside	44,661,182	163,678	1,145,740	858,350	2,004,090	42,657,092
Sacramento	35,813,185	185,356	1,297,344	901,584	2,198,928	33,614,257
San Benito	1,420,601	5,286	36,996	8,504	45,500	1,375,102
San Bernardino	46,996,716	203,971	1,423,118	1,045,118	2,468,236	44,528,480
San Diego	105,372,487	365,319	2,557,086	1,819,679	4,376,766	100,995,721
San Francisco	44,446,234	97,074	678,845	1,284,280	1,963,125	42,483,109
San Joaquin	15,707,868	74,231	519,361	450,898	970,259	14,737,610
San Luis Obispo	13,158,890	34,842	243,691	83,805	327,496	12,831,393
San Mateo	39,837,142	131,118	917,809	950,451	1,868,260	37,968,882
Santa Barbara	18,114,751	56,751	397,253	458,385	855,638	17,259,113
Santa Clara	84,888,885	255,195	1,786,176	2,623,959	4,410,135	80,478,750
Santa Cruz	10,015,244	35,632	249,419	220,868	470,287	9,544,956
Shasta	5,488,249	27,655	193,460	132,053	325,513	5,162,736
Sierra	275,168	822	5,734	5,193	10,927	264,241
Siskiyou	1,691,018	10,060	69,986	28,429	98,414	1,592,604
Solano	11,002,522	52,113	364,696	111,655	476,351	10,526,170
Sonoma	17,946,513	69,743	488,143	265,467	753,610	17,192,903
Stanislaus	11,429,875	58,583	409,702	252,176	661,878	10,767,997
Sutter	2,435,229	11,184	78,176	32,723	110,899	2,324,330
Tehama	1,644,404	10,523	73,214	35,122	108,336	1,536,068
Trinity	525,926	2,900	20,240	3,071	23,311	502,614
Tulare	8,777,615	46,985	327,978	116,957	444,935	8,332,679
Tuolumne	2,224,781	9,468	66,101	30,374	96,475	2,128,306
Ventura	31,810,297	110,982	776,254	551,101	1,327,355	30,482,942
Yolo	5,060,321	21,113	147,775	79,341	227,117	4,833,204
Yuba	1,701,328	8,374	58,390	28,966	87,357	1,613,971
Totals	$1,301,461,244	4,546,806	$31,753,571	$25,944,877	$57,698,448	$1,243,762,796

* Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980–81 property tax rolls and are not enrolled.

NOTE: Detail may not add to total due to rounding.

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1988–89

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$2,790,767	$46,589,603	$49,380,370	$4,754,938	$54,135,308
Alpine	14,434	114,807	129,242	27,782	157,024
Amador	217,222	1,110,276	1,327,498	54,362	1,381,860
Butte	596,666	5,012,024	5,608,689	246,466	5,855,155
Calaveras	117,291	1,473,563	1,590,854	48,970	1,639,824
Colusa	99,683	949,983	1,049,666	60,881	1,110,548
Contra Costa	2,798,682	39,376,058	42,174,740	1,928,424	44,103,164
Del Norte	26,280	477,035	503,316	31,481	534,797
El Dorado	292,764	5,417,591	5,710,355	179,681	5,890,036
Fresno	2,718,180	18,127,893	20,846,073	1,203,835	22,049,908
Glenn	104,587	938,164	1,042,751	53,637	1,096,388
Humboldt	281,296	3,259,301	3,540,597	333,277	3,873,874
Imperial	239,006	3,026,362	3,265,368	387,048	3,652,416
Inyo	95,962	1,186,934	1,282,896	28,335	1,311,231
Kern	1,626,479	27,863,307	29,489,786	2,059,043	31,548,829
Kings	224,432	2,315,419	2,539,851	125,573	2,665,424
Lake	257,088	2,155,502	2,412,590	296,261	2,708,851
Lassen	92,458	724,226	816,684	67,075	883,759
Los Angeles	14,530,940	314,411,784	328,942,724	23,918,340	352,861,064
Madera	427,003	2,790,428	3,217,431	133,757	3,351,188
Marin	477,054	13,499,675	13,976,729	571,281	14,548,009
Mariposa	104,178	511,406	615,584	57,902	673,487
Mendocino	194,049	2,635,422	2,829,471	161,558	2,991,029
Merced	374,143	4,527,176	4,901,319	237,268	5,138,587
Modoc	64,169	428,771	492,940	18,077	511,018
Mono	65,694	1,093,479	1,159,173	125,811	1,284,984
Monterey	1,044,185	12,182,326	13,226,511	708,310	13,934,820
Napa	195,257	5,047,641	5,242,898	194,025	5,436,923
Nevada	301,813	3,359,049	3,660,862	119,871	3,780,733
Orange	4,191,825	111,659,617	115,851,442	9,951,878	125,803,320
Placer	921,663	7,750,461	8,672,125	351,052	9,023,177
Plumas	546,978	918,239	1,465,217	46,500	1,511,717
Riverside	2,098,339	39,708,971	41,807,310	1,995,522	43,802,832
Sacramento	1,589,575	30,908,898	32,498,473	2,413,128	34,911,601
San Benito	99,445	1,250,734	1,350,179	61,918	1,412,098
San Bernardino	3,699,540	39,714,052	43,413,592	2,538,006	45,951,598
San Diego	7,908,314	90,929,875	98,838,189	4,714,619	103,552,808
San Francisco	2,711,898	36,163,286	38,875,183	4,286,771	43,161,954
San Joaquin	1,133,835	12,984,212	14,118,046	1,138,924	15,256,970
San Luis Obispo	4,311,534	8,421,343	12,732,877	342,208	13,075,085
San Mateo	1,212,227	33,130,052	34,342,279	4,544,412	38,886,691
Santa Barbara	769,442	15,599,411	16,368,854	1,287,513	17,656,366
Santa Clara	2,464,194	69,889,207	72,353,401	9,911,525	82,264,925
Santa Cruz	283,632	9,021,955	9,305,588	488,787	9,794,375
Shasta	912,233	4,133,790	5,046,024	310,172	5,356,196
Sierra	46,955	189,911	236,866	33,109	269,974
Siskiyou	183,711	1,330,928	1,514,640	147,949	1,662,589
Solano	559,895	9,822,113	10,382,008	508,858	10,890,866
Sonoma	1,154,561	15,848,114	17,002,676	678,371	17,681,046
Stanislaus	442,396	10,058,476	10,500,873	676,826	11,177,699
Sutter	166,477	2,088,917	2,255,394	147,112	2,402,506
Tehama	203,699	1,352,613	1,556,313	52,969	1,609,282
Trinity	50,999	426,961	477,960	44,894	522,854
Tulare	655,996	7,614,190	8,270,186	390,472	8,660,658
Tuolumne	148,770	1,947,025	2,095,795	98,612	2,194,407
Ventura	1,690,750	27,656,992	29,347,741	1,911,454	31,259,196
Yolo	299,244	4,346,012	4,645,256	335,723	4,980,980
Yuba	301,122	1,213,949	1,515,071	157,290	1,672,361
Totals	$71,131,017	$1,116,685,509	$1,187,816,526	$87,699,840	$1,275,516,366

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1988–89

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed value	City	Locally Assessed value
1	2	1	2	1	2
Adelanto	316,637	Cathedral City	1,026,405	Eureka	721,682
Agoura Hills	1,435,929	Ceres	494,392	Exeter	139,538
Alameda	2,642,076	Cerritos	2,565,740	Fairfax	297,275
Albany	516,344	Chico	1,174,686	Fairfield	2,376,668
Alhambra	2,272,220	Chino	1,797,750	Farmersville	64,074
Alturas	62,509	Chowchilla	127,611	Ferndale	31,615
Amador	6,306	Chula Vista	3,779,153	Fillmore	227,958
Anaheim	12,145,931	Claremont	1,122,690	Firebaugh	49,248
Anderson	153,307	Clayton	360,896	Folsom	1,121,864
Angels	65,337	Clearlake	306,939	Fontana	2,047,113
Antioch	1,793,555	Cloverdale	113,985	Fort Bragg	219,367
Arcadia	2,549,173	Clovis	1,295,421	Fort Jones	14,952
Arcata	332,549	Coachella	212,200	Fortuna	214,546
Arroyo Grande	538,132	Coalinga	139,996	Foster City	1,998,000
Artesia	415,087	Colfax	37,016	Fountain Valley	2,350,751
Arvin	84,222	Colma	158,610	Fowler	62,257
Atascadero	788,635	Colton	900,700	Fremont	8,822,999
Atherton	932,759	Colusa	100,616	Fresno	8,994,779
Atwater	334,375	Commerce	1,778,985	Fullerton	5,314,335
Auburn	396,372	Compton	1,564,954	Galt	164,800
Avalon	197,611	Concord	4,956,712	Gardena	1,679,931
Avenal	71,443	Corcoran	121,889	Garden Grove	4,357,319
Azusa	1,063,540	Corning	115,974	Gilroy	1,142,154
Bakersfield	5,741,088	Corona	2,538,701	Glendale	7,137,604
Baldwin Park	1,105,762	Coronado	1,333,093	Glendora	1,571,206
Banning	400,880	Corte Madera	666,836	Gonzales	141,164
Barstow	438,496	Costa Mesa	5,404,103	Grand Terrace	289,810
Beaumont	221,591	Cotati	176,504	Grass Valley	291,797
Bell	478,337	Covina	1,508,001	Greenfield	89,408
Bellflower	1,430,794	Crescent City	103,956	Gridley	90,285
Bell Gardens	461,206	Cudahy	226,789	Grover City	326,024
Belmont	1,247,296	Culver City	2,649,868	Guadalupe	67,735
Belvedere	308,789	Cupertino	3,272,083	Gustine	100,844
Benicia	1,412,512	Cypress	1,727,492	Half Moon Bay	455,955
Berkeley	3,456,846	Daly City	2,438,774	Hanford	644,401
Beverly Hills	6,514,239	Danville	2,041,962	Hawaiian Gardens	244,026
Big Bear Lake	775,795	Davis	1,311,117	Hawthorne	2,593,777
Biggs	22,244	Delano	284,304	Hayward	4,610,911
Bishop	157,115	Del Mar	464,611	Healdsburg	375,283
Blue Lake	53,433	Del Rey Oaks	60,226	Hemet	1,027,709
Blythe	147,264	Desert Hot Springs	323,745	Hercules	698,936
Bradbury	82,943	Dinuba	191,338	Hermosa Beach	1,084,252
Brawley	261,916	Dixon	270,582	Hidden Hills	231,214
Brea	2,511,535	Dorris	11,710	Highland	372,243
Brentwood	207,551	Dos Palos	55,401	Hillsborough	1,506,631
Brisbane	444,575	Downey	3,008,671	Hollister	520,050
Buena Park	2,692,072	Duarte	622,600	Holtville	69,083
Burbank	5,280,052	Dublin	1,073,106	Hughson	48,595
Burlingame	2,247,978	Dunsmuir	37,199	Huntington Beach	8,781,655
Calexico	238,522	East Palo Alto	335,232	Huntington Park	820,523
California City	166,282	El Cajon	2,668,192	Huron	34,802
Calipatria	25,383	El Centro	551,231	Imperial	64,260
Calistoga	163,921	El Cerrito	801,005	Imperial Beach	446,437
Camarillo	2,677,821	El Monte	1,986,277	Indian Wells	1,156,573
Campbell	1,718,820	El Segundo	4,906,048	Indio	872,718
Capitola	468,449	Emeryville	811,724	Industry	2,194,787
Carlsbad	4,381,273	Encinitas	2,797,733	Inglewood	2,562,955
Carmel	600,404	Escalon	117,441	Ione	39,403
Carpinteria	530,218	Escondido	3,705,695	Irvine	11,400,297
Carson	5,056,109	Etna	14,621	Irwindale	677,485

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1988–89—Continued

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed Value	City	Locally Assessed value
1	2	1	2	1	2
Isleton	14,080	Modesto	4,428,729	Plymouth	17,994
Jackson	121,881	Monrovia	1,193,203	Point Arena	11,425
Kerman	94,490	Montague	23,518	Pomona	3,138,751
King City	203,606	Montclair	873,835	Porterville	628,547
Kingsburg	147,229	Montebello	1,738,574	Port Hueneme	536,311
La Canada-Flintridge	1,222,644	Monterey	1,741,691	Portola	44,843
Lafayette	1,472,908	Monterey Park	2,019,114	Portola Valley	463,129
Laguna Beach	2,095,148	Monte Sereno	279,815	Poway	1,773,424
La Habra	1,754,687	Moorpark	1,145,596	Rancho Cucamonga	4,054,714
La Habra Heights	369,373	Moraga	946,537	Rancho Mirage	1,896,340
Lake Elsinore	542,864	Moreno Valley	2,940,326	Rancho Palos Verdes	2,889,659
Lakeport	170,026	Morgan Hill	1,111,857	Red Bluff	277,461
Lakewood	2,318,505	Morro Bay	454,643	Redding	1,940,313
La Mesa	1,694,017	Mountain View	4,515,076	Redlands	1,747,227
La Mirada	1,576,417	Mount Shasta	103,740	Redondo Beach	3,735,808
Lancaster	2,362,917	Napa	2,041,301	Redwood City	3,431,127
La Palma	653,643	National City	1,035,479	Reedley	279,180
La Puente	558,300	Needles	101,021	Rialto	1,503,856
La Quinta	818,795	Nevada City	125,128	Richmond	4,181,151
Larkspur	771,846	Newark	1,704,162	Ridgecrest	659,809
La Verne	1,024,084	Newman	80,801	Rio Dell	43,361
Lawndale	710,864	Newport Beach	9,153,230	Rio Vista	98,690
Lemon Grove	524,596	Norco	612,929	Ripon	251,928
Lemoore	275,374	Norwalk	1,946,726	Riverbank	190,697
Lincoln	193,134	Novato	2,099,215	Riverside	6,608,826
Lindsay	165,281	Oakdale	381,065	Rocklin	626,434
Live Oak	46,568	Oakland	11,681,581	Rohnert Park	1,224,028
Livermore	2,336,511	Oceanside	4,178,457	Rolling Hills	328,254
Livingston	117,945	Ojai	348,747	Rolling Hills Estates	833,838
Lodi	1,640,953	Ontario	4,837,021	Rosemead	1,062,117
Loma Linda	502,390	Orange	5,608,467	Roseville	1,834,738
Lomita	619,045	Orange Cove	50,885	Ross	249,659
Lompoc	819,413	Orinda	1,180,403	Sacramento	11,685,522
Long Beach	16,312,500	Orland	114,686	St. Helena	342,687
Loomis	174,243	Oroville	336,648	Salinas	2,600,110
Los Alamitos	604,532	Oxnard	3,950,762	San Anselmo	567,840
Los Altos	1,856,411	Pacifica	1,173,083	San Bernardino	3,699,768
Los Altos Hills	826,475	Pacific Grove	667,037	San Bruno	1,587,730
Los Angeles	134,783,401	Palmdale	1,962,924	San Carlos	1,794,038
Los Banos	291,333	Palm Desert	2,425,999	San Clemente	2,374,062
Los Gatos	1,897,931	Palm Springs	3,380,951	Sand City	52,073
Loyalton	14,179	Palo Alto	5,332,286	San Diego	46,112,553
Lynwood	816,951	Palos Verdes Estates	1,434,076	San Dimas	1,307,651
Madera	478,557	Paradise	662,404	San Fernando	492,009
Mammoth Lakes	776,475	Paramount	1,040,051	San Francisco	40,450,057
Manhattan Beach	2,819,522	Parlier	53,124	San Gabriel	1,013,990
Manteca	962,865	Pasadena	5,964,554	Sanger	274,154
Maricopa	13,779	Paso Robles	629,362	San Jacinto	317,739
Marina	396,284	Patterson	152,755	San Joaquin	18,893
Martinez	1,462,587	Perris	411,767	San Jose	32,469,010
Marysville	332,509	Petaluma	1,603,991	San Juan Bautista	40,686
Maywood	282,856	Pico Rivera	1,743,401	San Juan Capistrano	1,448,929
McFarland	56,843	Piedmont	735,313	San Leandro	3,293,485
Mendota	54,859	Pinole	581,329	San Luis Obispo	1,632,189
Menlo Park	2,347,302	Pismo Beach	507,709	San Marcos	1,404,751
Merced	1,251,186	Pittsburg	1,203,730	San Marino	1,092,947
Millbrae	1,035,849	Placentia	1,558,440	San Mateo	4,879,876
Mill Valley	912,486	Placerville	280,122	San Pablo	489,270
Milpitas	3,311,277	Pleasant Hill	1,334,962	San Rafael	3,017,138
Mission Viejo	3,697,860	Pleasanton	3,457,967	San Ramon	2,830,950

TABLE 11—ASSESSED VALUE [a] OF COUNTY-ASSESSED [b] PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1988–89—Concluded

(In thousands of dollars)

City	Locally Assessed value	City	Locally Assessed value	City	Locally Assessed value
1	2	1	2	1	2
Santa Ana	8,898,056	South Pasadena	954,300	Villa Park	411,612
Santa Barbara	4,363,773	South San Francisco	3,395,025	Visalia	2,129,238
Santa Clara	7,698,474	Stanton	828,429	Vista	2,130,173
Santa Clarita	4,061,732	Stockton	5,350,006	Walnut	1,117,712
Santa Cruz	2,016,361	Suisun	475,548	Walnut Creek	4,595,274
Santa Fe Springs	2,312,176	Sunnyvale	8,296,723	Wasco	137,522
Santa Maria	1,810,912	Susanville	165,170	Waterford	66,686
Santa Monica	6,055,043	Sutter Creek	64,636	Watsonville	896,659
Santa Paula	547,765	Taft	143,655	Weed	52,133
Santa Rosa	4,895,878	Tehachapi	117,372	West Covina	2,741,003
Santee	1,385,683	Tehama	7,691	West Hollywood	2,276,345
Saratoga	2,063,164	Temple City	861,418	Westlake Village	843,792
Sausalito	765,239	Thousand Oaks	5,845,662	Westminster	2,371,948
Scotts Valley	646,442	Tiburon	758,636	Westmorland	13,971
Seal Beach	1,369,849	Torrance	8,209,243	West Sacramento	1,065,805
Seaside	480,169	Tracy	952,922	Wheatland	27,645
Sebastopol	266,948	Trinidad	17,790	Whittier	2,433,760
Selma	249,546	Tulare	680,125	Williams	38,626
Shafter	102,860	Tulelake	14,252	Willits	142,258
Sierra Madre	415,760	Turlock	1,039,343	Willows	124,857
Signal Hill	688,624	Tustin	2,344,978	Winters	81,732
Simi Valley	4,070,538	Twenty-nine Palms	268,679	Woodlake	60,752
Solana Beach	974,492	Ukiah	376,417	Woodland	1,223,504
Soledad	83,435	Union City	1,882,508	Woodside	673,123
Solvang	321,241	Upland	2,307,298	Yorba Linda	2,601,887
Sonoma	374,400	Vacaville	1,865,353	Yountville	82,995
Sonora	145,054	Vallejo	2,602,764	Yreka	228,933
South El Monte	593,457	Ventura	4,038,318	Yuba City	693,731
Southgate	1,637,417	Vernon	1,757,185		
South Lake Tahoe	1,371,545	Victorville	1,057,742	Grand totals	$934,026,487

[a] These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

[b] In previous reports, the total state-assessed value for each city was also shown in this table. Effective on the 1988–89 property tax rolls, the bulk of state-assessed values are allocated on a countywide basis only.

NOTE: Detail may not add to total due to rounding.

PROPERTY TAXES

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1988–89

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	
Local Exchange Carriers	$25,541,694
Interexchange Carriers	3,390,524
Cellular Carriers	1,005,777
Radio-Telephone Carriers	155,672
Subtotal	$30,093,666
Gas and electric	37,264,201
Intercounty pipelines, flumes, canals, ditches and aqueducts	1,504,101
Car	11,695
Railroad	2,257,354
Total	$71,131,017
UNDER PRIVATE CAR TAX LAW	
Private cars	328,270
Grand total	$71,459,287

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1988–89

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
ALLNET Communications Services, Incorporated	$26,795
American Satellite Company	56,680
American Telephone and Telegraph Interstate Division	796,808
A.T. & T. Communications of California, Incorporated	1,013,779
Bay Area Cellular Telephone Company	91,587
Bay Area Teleport	23,474
Citizens Utilities Company of California	186,253
Citizens Utilities Company of California (Water)	27,692
Continental Telephone Company of California	598,281
Equatorial Communications Company	37,500
Fresno MSA Limited Partnership	20,078
GTE California, Incorporated	5,443,256
GTE Mobilnet of San Francisco Limited Partnership	90,978
GTEL	38,861
Los Angeles Cellular Telephone Company	193,986
Los Angeles SMSA, Limited, dba PacTel Cellular	322,025
MCI Telecommunications Corporation	309,094
Pacific Bell	18,997,004
PacTel Cellular	41,517
Ponderosa Telephone Company	24,591
RCA American Communications, Incorporated	154,776
Roseville Telephone Company	106,150
Sacramento Cellular Telephone Company	38,870
Sacramento Valley Limited Partnerhsip, dba PacTel Cellular	27,603
Sierra Telephone Company, Incorporated	33,231
Telesphere Network, Incorporated	46,763
Tuolumne Telephone Company, Incorporated	20,056
U.S. Sprint	460,951
U.S. West Cellular of California	55,136
Western Telecommunications, Incorporated	25,538
Western Union Corporation	159,243
Williams Telecommunications Company	21,500
WU World Communications, Incorporated	21,675
204 companies with an assessed value of less than $20,000,000 each	581,937
Total for telephone and telegraph companies [a]	$30,093,666

[a] Includes 23 local exchange carriers, 98 interexchange carriers, 43 cellular carriers, and 76 radio-telephone carriers.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1988–89—Continued

(In thousands of dollars)

Name of company	Assessed value
1	2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Incorporated	$11,002
C.P. National Corporation	62,371
Pacific Gas & Electric Company	18,739,833
Pacific Power & Light	112,509
Plumas-Sierra Rural Electric Cooperative	13,512
San Diego Gas & Electric Company	3,313,572
Sierra Pacific Power Company	74,154
Southern California Edison Company	11,921,549
Southern California Gas Company	2,762,137
Southern California Water Company	184,726
Southwest Gas Corporation	57,466
Surprise Valley Electrification Corporation	11,002
Valley Electric Association, Incorporated	67
Total for gas and electric companies	$37,264,201
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [b]	
All American Pipeline Company	$288,013
Beacon Oil Company	3,250
Calnev Pipe Line Company	55,037
Casitas Pipeline Company	2,705
Celeron Gathering Corporation	14,004
Chevron U.S.A., Incorporated	122,569
City of Riverside	5,465
Cuyama Pipeline Company	2,050
Exxon Company, U.S.A.—Division of Exxon Corporation	1,301
Four Corners Pipe Line Company	105,098
Golden West Refining Company	16,660
Great Western Pipeline Company, Incorporated	9,950
Homestake Mining Company of California	9,200
Kerr-McGee Chemical Corporation	2,250
Kings County Canal Company	1,176
Mobil Oil Corporation, dba West Coast Pipelines	74,787
Powerine Oil Company	2,355
Riverside Highland Water Company	355
San Diego Pipeline Company	64,550
San Luis Canal Company	2,750
Shell Oil Company	67,611
Shell Western Exploration & Production, Incorporated	9,650
Southern Pacific Pipe Lines, Incorporated	344,602
Standard Gas Company	2,400
Standard Pacific Gas Line, Incorporated	40,000
Standard Pipe Line Company	8,500
Texaco Trading & Transportation, Incorporated	117,015
Union Oil Company of California, dba Unocal Corporation	128,555
Ventura Pipeline System	304
West Riverside Canal Company	1,750
3 companies with an assessed value of less than $200,000 each	189
Total for intercounty pipe lines, etc.	$1,504,101

[b] All other taxable property owned by these companies is locally assessed.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1988–89—Concluded

(In thousands of dollars)

Name of company	Assessed value
1	2
CAR COMPANIES [c]	
ACF Industries, Incorporated, Shippers' Car Line Division	$2
Fruit Growers Express Company	21
General American Transportation Corporation	2,155
Trailer Train Company	9,448
Union Tank Car Company	69
Total for car companies	$11,695
RAILROAD COMPANIES	
Alameda Belt Line	$7,896
Almanor Railroad Company	136
Amador Central Railroad Company	3,193
Atchison, Topeka and Santa Fe Railway Company, The	507,381
Burlington Northern Railroad	5,971
Central California Traction Company	3,361
Eureka Southern Railroad Company, Incorporated	3,370
Lake County, Oregon	374
Los Angeles Junction Railway Corporation	17,152
McCloud River Railroad Company	14,345
Mendocino Coast Railway, Incorporated, dba California Western Railroad	1,496
Modesto and Empire Traction Company	17,668
Napa Valley Railroad, dba Napa Valley Wine Train	4,861
Northwestern Pacific Railroad Company	29,052
Oakland Terminal Railway (The)	731
Parr Terminal Railroad	531
Port Railroads, Incorporated	71
Quincy Railroad Company	408
San Diego and Arizona Eastern Railway Company	704
San Diego and Imperial Valley Railroad Company	2,082
Santa Cruz, Big Tree and Pacific Railway Company	680
Santa Maria Valley Railroad Company	2,863
Sierra Railroad Company	1,058
Southern Pacific Transportation Company	1,323,285
Stockton Terminal and Eastern Railroad	7,873
Sunset Railway Company	702
Trona Railway Company	17,112
Union Pacific Corporation	278,636
Ventura County Railway Company	2,428
Visalia Electric Railroad Company	849
Yreka Western Railroad Company	1,085
Total for railroad companies	$2,257,354

[c] Property at fixed locations which is not subject to the private car tax. Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—Discontinued.

In previous reports this table presented data on assessment ratios, "Collier factors" and coefficients of dispersion.

TABLE 14—1987–88 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net taxable [a] assessed value	Property tax allocations and levies [b]					Average tax rate	
		City	County [c]	School [c]	Other [d] district	Total [d]	1987–88	1986–87
1	2	3	4	5	6	7	8	9
Alameda	$47,967,851	$128,053	168,343	$129,976	$127,991	$554,363	1.156%	1.163%
Alpine	152,449	—	1,087	356	160	1,603	1.051	1.060
Amador	1,236,156	535	5,633	6,236	291	12,695	1.027	1.024
Butte	5,277,640	4,311	12,489	30,715	7,286	54,801	1.038	1.041
Calaveras	1,480,697	107	4,434	8,986	2,401	15,928	1.076	1.085
Colusa	1,045,512	509	3,929	5,642	906	10,986	1.051	1.037
Contra Costa	38,909,254	45,478	106,202	139,380	133,062	424,122	1.090	1.097
Del Norte	475,434	98	1,517	2,584	705	4,904	1.031	1.041
El Dorado	5,224,444	3,651	17,992	21,646	11,831	55,120	1.055	1.045
Fresno	19,947,548	30,744	64,323	88,488	28,608	212,163	1.064	1.074
Glenn	1,029,336	789	3,530	5,906	564	10,789	1.048	1.052
Humboldt	3,464,818	1,809	12,838	16,242	5,346	36,235	1.046	1.051
Imperial	3,186,634	3,590	11,125	16,071	2,658	33,444	1.050	1.061
Inyo	1,247,772	246	4,721	6,708	1,073	12,748	1.022	1.040
Kern	29,470,146	17,286	124,254	134,527	39,304	315,371	1.070	1.024
Kings	2,452,714	2,093	11,503	9,176	2,599	25,371	1.034	1.039
Lake	2,657,028	802	9,843	12,081	4,609	27,335	1.029	1.028
Lassen	787,725	352	2,385	4,861	627	8,225	1.044	1.053
Los Angeles	312,988,243	632,551	1,402,166	726,967	601,349	3,363,033	1.074	1.081
Madera	3,061,411	1,283	10,082	19,541	2,262	33,168	1.083	1.051
Marin	13,180,789	18,057	38,965	56,299	22,248	135,569	1.029	1.032
Mariposa	617,354	—	2,052	3,750	372	6,174	1.000	1.000
Mendocino	2,724,878	951	12,424	14,078	2,287	29,740	1.091	1.098
Merced	4,675,324	4,160	19,103	20,561	4,934	48,758	1.043	1.005
Modoc	489,659	185	1,825	2,734	317	5,061	1.034	1.034
Mono	1,210,106	459	4,808	4,127	3,339	12,710	1.050	1.052
Monterey	12,756,432	13,052	35,479	63,705	18,534	130,770	1.025	1.028
Napa	4,831,150	5,591	16,294	25,514	3,093	50,492	1.045	1.051
Nevada	3,316,334	1,093	9,786	16,780	6,577	34,236	1.032	1.042
Orange	111,320,130	145,944	221,524	598,784	258,386	1,224,638	1.100	1.111
Placer	7,605,611	5,220	23,491	39,247	12,404	80,362	1.057	1.046
Plumas	1,411,311	141	3,971	8,291	1,846	14,249	1.010	1.010
Riverside	37,813,171	31,520	109,143	155,439	124,264	420,366	1.112	1.107
Sacramento	30,317,080	37,649	119,081	95,122	72,413	324,265	1.070	1.074
San Benito	1,263,144	625	2,878	7,448	3,010	13,961	1.105	1.106
San Bernardino	39,419,069	41,005	116,728	133,395	140,333	431,461	1.095	1.117
San Diego	90,800,727	147,686	234,560	483,448	92,135	957,829	1.055	1.064
San Francisco	38,971,868	—	362,284	36,768	30,043	429,095	1.101	1.113
San Joaquin	13,456,603	19,349	55,248	45,579	19,258	139,434	1.036	1.045
San Luis Obispo	11,538,312	9,223	41,039	65,932	6,777	122,971	1.066	1.067
San Mateo	34,781,177	48,327	89,607	177,301	40,177	355,412	1.022	1.027
Santa Barbara	15,832,914	9,992	49,074	76,985	26,845	162,896	1.029	1.022
Santa Clara	74,075,138	94,888	212,226	381,135	131,920	820,169	1.107	1.114
Santa Cruz	8,791,184	7,372	24,550	46,824	12,349	91,095	1.036	1.042
Shasta	4,779,464	3,957	12,986	28,890	5,194	51,027	1.068	1.079
Sierra	230,412	26	1,455	577	253	2,311	1.003	1.014
Siskiyou	1,564,131	1,279	5,540	8,170	818	15,807	1.011	1.012
Solano	9,346,422	19,339	33,489	30,168	21,698	104,694	1.120	1.134
Sonoma	15,596,031	14,914	35,634	79,272	16,172	165,992	1.064	1.066
Stanislaus	9,832,360	8,907	26,094	60,804	5,298	101,103	1.028	1.034
Sutter	2,167,612	1,977	7,444	10,798	2,139	22,358	1.031	1.034
Tehama	1,465,822	1,039	5,693	8,034	590	15,356	1.048	1.056
Trinity	466,998	—	1,802	2,733	285	4,820	1.032	1.042
Tulare	7,758,488	6,096	33,407	33,635	6,700	79,838	1.029	1.034
Tuolumne	2,030,711	264	8,273	10,973	1,446	20,956	1.032	1.037
Ventura	27,555,044	24,080	84,309	113,015	78,171	299,575	1.087	1.093
Yolo	4,514,407	10,840	14,362	20,383	3,472	49,057	1.087	1.095
Yuba	1,524,000	851	6,389	7,487	1,806	16,533	1.083	1.095
Totals	$1,132,094,179	$1,610,325	$4,081,410	$4,360,274	$2,151,535	$12,203,544	1.078%	1.083%

[a] These are the assessed values on which general property taxes were actually levied in 1987–88. Excluded are exemptions totaling $55,387,418,000 as follows: homeowners', $31,222,301,000; and all other, $24,165,118,000.

[b] The county levies at a rate of 1 percent of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the State reimbursements to local governments of $344,221,000 for the homeowners' exemption described in footnote a. Reimbursements for the exemption of business inventories were eliminated beginning with the 1984–85 year.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the 1 percent levy allocated to jurisdictions previously taxing less than total property.

PROPERTY TAXES

TABLE 15—1987–88 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.23	$.30	$.24	$.23	$1.00
Alpine	—	.68	.22	.10	1.00
Amador	.04	.45	.49	.02	1.00
Butte	.08	.23	.56	.13	1.00
Calaveras	.01	.28	.56	.15	1.00
Colusa	.05	.36	.51	.08	1.00
Contra Costa	.11	.25	.33	.31	1.00
Del Norte	.02	.31	.53	.14	1.00
El Dorado	.07	.33	.39	.21	1.00
Fresno	.15	.30	.42	.13	1.00
Glenn	.07	.33	.55	.05	1.00
Humboldt	.05	.35	.45	.15	1.00
Imperial	.11	.33	.48	.08	1.00
Inyo	.02	.37	.53	.08	1.00
Kern	.06	.39	.43	.12	1.00
Kings	.08	.46	.36	.10	1.00
Lake	.03	.36	.44	.17	1.00
Lassen	.04	.29	.59	.08	1.00
Los Angeles	.19	.42	.21	.18	1.00
Madera	.04	.30	.59	.07	1.00
Marin	.13	.29	.42	.16	1.00
Mariposa	—	.33	.61	.06	1.00
Mendocino	.03	.42	.47	.08	1.00
Merced	.09	.39	.42	.10	1.00
Modoc	.04	.36	.54	.06	1.00
Mono	.03	.38	.33	.26	1.00
Monterey	.10	.27	.49	.14	1.00
Napa	.11	.32	.51	.06	1.00
Nevada	.03	.29	.49	.19	1.00
Orange	.12	.18	.49	.21	1.00
Placer	.07	.29	.49	.15	1.00
Plumas	.01	.28	.58	.13	1.00
Riverside	.07	.26	.37	.30	1.00
Sacramento	.12	.37	.29	.22	1.00
San Benito	.04	.21	.53	.22	1.00
San Bernardino	.09	.27	.31	.33	1.00
San Diego	.15	.25	.50	.10	1.00
San Francisco	—	.84	.09	.07	1.00
San Joaquin	.14	.39	.33	.14	1.00
San Luis Obispo	.07	.33	.54	.06	1.00
San Mateo	.14	.25	.50	.11	1.00
Santa Barbara	.06	.30	.47	.17	1.00
Santa Clara	.12	.26	.46	.16	1.00
Santa Cruz	.08	.27	.51	.14	1.00
Shasta	.08	.25	.57	.10	1.00
Sierra	.01	.63	.25	.11	1.00
Siskiyou	.08	.35	.52	.05	1.00
Solano	.18	.32	.29	.21	1.00
Sonoma	.09	.33	.48	.10	1.00
Stanislaus	.09	.26	.60	.05	1.00
Sutter	.09	.33	.48	.10	1.00
Tehama	.07	.37	.52	.04	1.00
Trinity	—	.37	.57	.06	1.00
Tulare	.08	.42	.42	.08	1.00
Tuolumne	.01	.40	.52	.07	1.00
Ventura	.08	.28	.38	.26	1.00
Yolo	.22	.29	.42	.07	1.00
Yuba	.05	.39	.45	.11	1.00
Average	$.13	$.33	$.36	$.18	$1.00

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

TABLE 16A—TIMBER YIELD TAX AND TIMBER RESERVE FUND TAX STATISTICS, 1977 TO 1987

Calendar year	Market value of timber harvest (in millions)	Timber yield tax		Timber reserve fund	
		Rate [a]	Net revenue (in thousands)	Rate [a]	Net revenue (in thousands)
1	2	3	4	5	6
1987	$577.2	2.9%	$16,828	—	—
1986	451.8	2.9	14,009	—	—
1985	396.5	2.9	12,155	—	—
1984	425.0	2.9	13,144	—	—
1983	400.5	2.9	12,045	—[b]	$81
1982	296.1	2.9	9,004	5.2%	15,361
1981	493.1	3.0	14,970	1.7	8,179
1980	565.8	3.0	16,945	0.0	13
1979	742.7	3.0	22,481	0.0	18
1978	682.1	6.0	41,342	0.5	3,439
1977	389.0 [c]	6.0	23,822 [c]	0.5	1,985 [c]

[a] In effect for the year. The rate is set annually in December.
[b] A sunset provision terminated the reserve fund tax at the end of 1982.
[c] This tax became effective April 1, 1977. The timber yield tax replaced the ad valorem property tax on standing timber. The reserve rate assured that the timber tax fund would be sufficient to meet the revenue guarantees of the participating counties.

TABLE 16B—TIMBER PRODUCTION [a] STATISTICS, BY COUNTY, 1987

County	Net volume [b] (in thousands of board feet)	Market value [c] (in thousands)	County	Net volume [b] (in thousands of board feet)	Market value [c] (in thousands)
1	2	3	1	2	3
Alpine	4,365	$422	Placer	91,924	10,041
Amador	35,092	2,955	Plumas	314,432	38,960
Butte	60,836	5,693	San Bernardino	564	119
Calaveras	62,363	6,873	San Mateo	6,873	927
Del Norte	178,703	38,447	Santa Clara	5,032	683
El Dorado	199,555	17,620	Santa Cruz	15,008	2,026
Fresno	81,238	5,253	Shasta	269,576	38,976
Glenn	16,303	2,238	Sierra	139,799	13,583
Humboldt	854,711	149,392	Siskiyou	577,815	61,455
Kern	1,896	236	Sonoma	26,099	2,848
Lake	30,874	3,595	Tehama	162,973	22,112
Lassen	101,048	19,413	Trinity	286,924	37,026
Madera	72,393	5,651	Tulare	50,867	3,139
Mariposa	13,475	890	Tuolumne	139,120	13,638
Mendocino	462,628	51,852	Yuba	25,855	2,700
Modoc	59,063	9,567	Other [d]	103	1,008
Mono	4,688	487	TOTAL	4,430,851	$577,165
Napa	739	97			
Nevada	77,917	7,243			

[a] Data are from harvest reports prepared by taxpayers for payment of the Timber Yield Tax and are subject to audit corrections and delinquent filing.
[b] Board feet is the quantity of timber cut and scaled. Miscellaneous products including all hardwoods, Christmas trees, fuelwood, poles and piling, and split products are generally not measured in net board feet.
[c] Value of the timber immediately before cutting.
[d] Includes timber harvested in Alameda, Contra Costa, Los Angeles, Marin, Merced, Monterey, Orange, Riverside, Sacramento, San Benito, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Solano, Stanislaus, Ventura, and Yolo counties.

TABLE 17A—ASSESSED VALUE [a] OF PRIVATE CARS ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1988–89

Name of company	Assessed value [a] (in thousands)	Amount of tax
1	2	3
PRIVATE CARS		
ACF Industries, Inc.	$24,153	$258,191
ADM Transportation Company	7,441	79,549
Allied Corporation	1,918	20,501
American President Intermodal	5,093	54,444
Amoco Chemical Company	1,139	12,178
Amoco Oil Company	542	5,789
Andrews Gas Liquids/Leasco	824	8,809
Archer-Daniels-Midland Company	1,920	20,522
Borden Chemical, Division of Borden, Inc.	468	4,999
Borg Warner Chemical, Inc.	916	9,794
California Railcar Corporation	612	6,540
Cargill, Inc.	1,176	12,568
Celtran, Inc., a Subsidiary of Hoechst Celanese Corporation	839	8,970
Chevron USA, Inc.	6,960	74,402
Chicago Freight Car Leasing Company	2,185	23,358
Columbian Chemicals Company	779	8,331
Conoco	1,238	13,238
Crystal Car Line, Inc.	679	7,255
Dow Chemical Company (The)	6,189	66,163
E. I. duPont de Nemours & Company	2,515	26,885
Elders Grain, Inc.	1,034	11,050
Exxon Chemical Americas	1,948	20,823
Exxon Company USA	2,424	25,915
Farmland Industries, Inc.	739	7,895
Formosa Plastics Corporation, USA	471	5,040
Fruit Growers Express Company	3,974	42,481
General American Transportation Corporation	36,598	391,235
General Electric Railcar Corporation	20,722	221,519
GLNX Corporation	1,750	18,710
B.F. Goodrich Chemical Group	1,151	12,308
Granite Rock Company	1,446	15,457
Itel Rail Corporation	1,920	20,520
Kerr-McGee Chemical Corporation	1,368	14,621
Koppers Company, Inc.	1,461	15,614
Martin Marietta Corporation	456	4,870
MHC, Inc.	527	5,637
Mobil Oil Corporation	2,646	28,289
Monsanto Company	995	10,638
Occidental Chemical Corporation	957	10,226
Oxy NGL, Inc.	501	5,358
Petrolane Gas Service, Limited Partnership	515	5,505
Phillips 66 Company, a Subsidiary of Phillips Petroleum Company	3,046	32,558
PLM Financial Services, Inc.	447	4,778
PLM Railcar Management Service, Canada Limited	566	6,056
Procor, Limited	1,212	12,958
Pullman Leasing Company	6,499	69,475
Rail Box Company	5,735	61,309
RAILGON Company	488	5,214
Railtex, Inc.	2,129	22,764
Shell Oil Compay	4,963	53,051
Soltex Polymer Corporation	1,082	11,571
A. E. Staley Manufacturing Company	435	4,645
Tennessee Eastman Company, Division of Eastman Kodak Company	1,569	16,776
Trailer Train Company	91,456	977,664
Transportation Corporation of America	444	4,747
Trinity Industries Leasing Company	4,668	49,900
Union Carbide Corporation	4,931	52,711
Union Sugar Company, Division of Holly Sugar Corporation	952	10,181
Union Tank Car Company	26,959	288,196
United States Rail Services, Inc.	1,201	12,837
USI Chemicals Company	1,746	18,667
Vulcan Materials Company, Chemicals Division	537	5,736
WFIX Partners	928	9,918
211 other companies with an assessed value under $400,000 each	15,088	161,300
Totals for private cars	$328,270	$3,509,209

[a] 1988–89 assessed values were set at 68 percent of market value.

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1988–89

Fiscal year	Average number of cars	Assessed value [a] (000 omitted)	Average assessed value per car [a]	Tax rate per $100 assessed value [b]	Amount of tax [c] (000 omitted)
1	2	3	4	5	6
1988–89	21,178	$328,270 [f]	$15,501 [f]	1.069	$3,509
1987–88	19,521	410,765	21,042	1.074	4,412
1986–87	20,990	439,754	20,951	1.086	4,776
1985–86	21,159	407,506	19,259	1.102	4,491
1984–85	21,526	515,750	23,959	1.115	5,751
1983–84	22,596	554,614	24,545	1.119	6,206
1982–83	18,688	581,697	31,127	1.13	6,573
1981–82	16,142	528,235	32,724	1.14	6,022
1980–81	16,143	109,696	6,795	4.62	5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,652	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,559	37,627	2,584	7.79	2,931
1966–67	13,872	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,108	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848 [e]

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.
The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82 and the tax rate was adjusted downward proportionately.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

[e] The private car tax was first imposed in 1938. Prior to 1938 private cars were subject to local taxation and were assessed in the same manner as utility property.

[f] Assessed values for 1988–89 were set at 68 percent of market value.

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1987–88
(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1987–88	$11,662,040	$1,931	$11,663,971	866,266
1986–87	10,901,096	875	10,901,971	843,526
1985–86	10,317,990	574	10,318,564	815,783
1984–85	9,797,612	501	9,798,113	784,248
1983–84	8,797,924	498	8,798,422	764,366
1982–83	7,795,554	475	7,796,029	763,685
1981–82	7,689,139	448	7,689,587	724,352
1980–81	7,131,482	409	7,131,891	673,876
1979–80	6,658,425	365	6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	598,477
1976–77	4,311,426	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,100
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57	599,789	102	599,891	320,486
1955–56 [h]	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973, the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1956, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 21C for details.

[i] Effective July 1, 1949, the tax rate was increased from 2½ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2½ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2½ percent to 3 percent; sales of food for human consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2½ percent.

SALES AND USE TAXES

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1987–88

Type of business	Taxable transactions [a] Amount (in thousands)	Percent of total	Percent change from year to year	State sales tax (in thousands)	Number of permits on June 30, 1988 [b]
1	2	3	4	5	6
Retail Stores					
Women's apparel	$2,790,178	1.16%	2.5%	$132,533	10,962
Men's apparel	1,109,887	.46	3.4	52,720	2,832
Family apparel	2,297,910	.95	13.9	109,151	6,704
Shoes	1,661,547	.69	1.5	78,923	4,702
Apparel stores group	7,859,522	3.26	5.5	373,327	25,200
Limited-price variety	681,616	.28	5.2	32,377	934
Department and dry goods	20,721,688	8.59	10.0	984,280	3,400
Drug stores [c]	4,140,359	1.72	4.3	196,667	4,494
Other general merchandise	960,687	.40	40.0	45,633	1,838
General merchandise stores	26,504,350	10.98	9.8	1,258,957	10,666
Gifts, art goods, and novelties	1,073,551	.44	16.4	50,994	8,686
Sporting goods	1,824,287	.76	25.9	86,654	5,215
Florists	585,745	.24	8.7	27,823	4,552
Photographic equipment and supplies	460,352	.19	4.1	21,867	1,091
Musical instruments	1,438,747	.60	7.8	68,340	2,884
Stationery and books	2,377,619	.99	12.6	112,937	6,786
Jewelry	1,309,545	.54	9.1	62,203	6,392
Office, store, and school supplies	4,569,151	1.89	4.5	217,035	6,478
Other specialties	5,513,895	2.29	15.7	261,910	38,526
Specialty stores group	19,152,892	7.94	11.7	909,762	80,610
Food stores selling all types of liquors [c]	8,966,730	3.72	−3.1	425,920	4,628
All other food stores [c]	3,702,188	1.53	7.9	175,854	18,543
Packaged liquor stores	2,058,384	.85	3.2	97,773	5,589
Eating places: no alcoholic beverages	8,140,863	3.37	9.3	386,691	31,843
Eating places: beer and wine	4,902,151	2.03	8.7	232,852	19,964
Eating and drinking: all types of liquor	7,093,780	2.94	2.7	336,955	11,111
Eating and drinking group	20,136,794	8.35	6.8	956,498	62,918
Household and home furnishings	4,763,555	1.97	9.3	226,269	17,112
Household appliance dealers	3,206,900	1.33	10.3	152,328	4,358
Second-hand merchandise	278,803	.12	7.0	13,243	4,090
Farm implement dealers	1,455,558	.60	9.6	69,139	1,213
Farm and garden supply stores	1,285,831	.53	8.4	61,077	3,537
Fuel and ice dealers	280,478	.12	5.4	13,323	798
Lumber and building materials	7,939,783	3.29	14.1	377,140	4,279
Hardware stores	1,539,133	.64	−7.1	73,109	2,288
Plumbing and electrical supplies	1,430,219	.59	11.9	67,935	1,501
Paint, glass, and wallpaper	929,952	.39	4.4	44,173	1,982
Building material group	11,839,087	4.91	9.8	562,357	10,050
New motor vehicle dealers	24,827,163	10.29	1.8	1,179,290	2,636
Used motor vehicle dealers	1,748,496	.72	12.1	83,054	4,714
Automotive supplies and parts	3,143,445	1.30	6.6	149,314	8,833
Service stations	12,816,132	5.31	13.7	608,766	11,988
Mobile homes, trailers, and campers	931,529	.39	6.4	44,248	1,228
Boat, motorcycle, and plane dealers	1,322,868	.55	1.5	62,836	2,507
Automotive group	44,789,633	18.56	5.8	2,127,508	31,906
Retail Stores Totals	**$156,280,705**	**64.77%**	**7.2%**	**$7,423,333**	**281,218**
Business and Personal Services	**11,042,385**	**4.58**	**10.2**	**524,513**	**103,748**
All Other Outlets	**73,977,025**	**30.66**	**8.0**	**3,513,909**	**495,250**
Totals All Outlets	**$241,300,115**	**100.00%**	**7.6%**	**$11,461,755** [d]	**880,216**
HISTORICAL DATA					
Comparable data for all outlets:					
1986–87	$224,224,849	—	5.9%	$10,650,680	867,132
1985–86	211,830,101	—	5.1	10,061,930	841,630
1984–85	201,498,133	—	9.8	9,571,161	808,549
1983–84	183,572,544	—	15.9	8,719,696	783,718

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 14, 1987 through Aug. 11, 1988.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $237,298,000 and penalties and interest of $54,968,000.

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1987–88

County	Taxable sales of retail stores (in thousands)	Taxable sales of all outlets[a]			State tax (in thousands)	Number of permits on June 30, 1988[b]
		Amount (in thousands)	Percent of total	Percent change from 1986–87		
1	2	3	4	5	6	7
Alameda	$6,942,034	$11,233,644	4.66%	7.4%	$533,598	38,946
Alpine	1,811	16,012	—	—	761	66
Amador	108,406	151,895	.06	4.4	7,215	1,368
Butte	858,248	1,107,210	.46	7.8	52,592	5,481
Calaveras	88,372	152,685	.06	31.4	7,253	1,210
Colusa	65,483	135,823	.06	11.9	6,452	517
Contra Costa	4,405,688	6,121,303	2.54	9.5	290,762	21,933
Del Norte	61,799	93,185	.04	20.4	4,426	744
El Dorado	520,740	663,596	.28	8.4	31,521	4,862
Fresno	3,242,705	4,526,198	1.88	6.6	214,994	16,339
Glenn	78,559	152,367	.06	6.9	7,237	713
Humboldt	581,818	796,870	.33	5.1	37,851	4,408
Imperial	461,049	748,723	.31	23.3	35,564	3,097
Inyo	111,439	157,907	.07	14.5	7,501	848
Kern	2,531,443	3,991,406	1.65	10.8	189,592	13,163
Kings	367,034	510,676	.21	9.8	24,257	1,845
Lake	176,077	249,908	.10	8.7	11,871	1,494
Lassen	81,797	131,505	.05	13.1	6,246	838
Los Angeles	45,312,504	70,628,063	29.27	6.9	3,354,833	261,086
Madera	263,200	425,093	.18	7.2	20,192	2,136
Marin	1,581,094	2,089,468	.87	7.7	99,250	10,869
Mariposa	28,133	83,232	.03	7.5	3,954	599
Mendocino	386,411	508,598	.21	4.9	24,158	2,924
Merced	621,166	850,323	.35	1.4	40,390	3,455
Modoc	31,455	44,478	.02	11.9	2,113	374
Mono	64,286	96,724	.04	20.3	4,594	602
Monterey	1,783,902	2,417,728	1.00	9.0	114,842	9,046
Napa	532,792	766,077	.32	5.7	36,389	3,646
Nevada	310,673	447,182	.19	10.8	21,241	3,462
Orange	15,496,382	24,417,014	10.12	8.2	1,159,808	83,767
Placer	995,896	1,315,471	.55	8.2	62,485	6,106
Plumas	70,224	101,781	.04	1.9	4,835	973
Riverside	5,129,074	7,102,020	2.94	11.5	337,346	26,076
Sacramento	5,765,837	8,348,865	3.46	4.8	396,571	28,200
San Benito	101,720	197,064	.08	10.3	9,361	863
San Bernardino	6,371,708	9,037,993	3.75	10.7	429,305	33,779
San Diego	13,184,024	18,586,430	7.70	7.4	882,855	67,412
San Francisco	4,544,039	7,427,600	3.08	4.5	352,811	30,866
San Joaquin	2,164,852	3,139,622	1.30	7.7	149,132	10,756
San Luis Obispo	1,060,924	1,463,260	.61	4.4	69,505	6,823
San Mateo	4,423,346	7,020,304	2.91	7.3	333,464	21,725
Santa Barbara	1,955,407	2,670,627	1.11	3.6	126,855	12,271
Santa Clara	9,286,136	15,590,665	6.46	8.5	740,557	46,807
Santa Cruz	1,166,072	1,548,825	.64	7.8	73,569	8,266
Shasta	802,068	1,110,694	.46	10.6	52,758	4,883
Sierra	6,417	10,709	.01	3.4	509	128
Siskiyou	168,034	249,376	.10	6.8	11,845	1,979
Solano	1,411,132	1,852,076	.77	8.3	87,974	6,754
Sonoma	2,116,507	2,996,238	1.24	8.4	142,321	12,920
Stanislaus	1,815,419	2,573,939	1.07	11.3	122,262	9,045
Sutter	315,840	418,462	.17	8.0	19,877	1,727
Tehama	185,912	248,733	.10	9.8	11,815	1,385
Trinity	32,445	46,956	.02	8.6	2,230	543
Tulare	1,221,331	1,718,950	.71	6.1	81,650	7,268
Tuolumne	200,619	274,077	.11	4.6	13,019	2,122
Ventura	3,506,747	4,831,103	2.00	8.7	229,477	18,807
Yolo	676,228	1,071,650	.44	11.8	50,903	3,408
Yuba	198,461	263,927	.11	4.4	12,537	1,344
Statewide	307,787	6,367,806	2.64	5.9	302,471	7,140
Totals	$156,280,705	$241,300,115	100.00%	7.6%	$11,461,756[d]	880,216

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 14, 1987 through Aug. 11, 1988.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Percentage change not shown for Alpine County because its small base, 0.007% of the statewide total, is subject to violent fluctuations that are not regarded as significant.

[d] In addition, the Board assessed state taxes of $237,298,000 and penalties and interest of $54,968,000.

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1987–88

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Alameda County	9,669,236	298,545
Alameda	3,831,805	160,341
Albany	1,227,667	38,897
Berkeley	8,768,917	276,773
Dublin	4,822,276	100,482
Emeryville	2,698,415	42,361
Fremont	11,588,535	386,883
Hayward	16,630,259	377,852
Livermore	3,296,530	121,687
Newark	4,896,235	121,024
Oakland	26,270,660	883,921
Piedmont	119,923	16,634
Pleasanton	5,922,080	143,977
San Leandro	13,395,711	275,196
Union City	2,581,186	105,252
Total	115,719,442	3,349,834
Alpine County	149,384	3,382
Amador County	612,014	21,399
Amador	9,367	470
Ione	79,034	5,355
Jackson	606,830	15,574
Plymouth	51,188	1,788
Sutter Creek	201,494	6,078
Total	1,559,928	48,676
Butte County	3,110,912	102,994
Biggs	10,683	2,225
Chico	4,346,201	108,061
Gridley	452,739	12,648
Oroville	2,296,152	47,926
Paradise	950,015	49,054
Total	11,166,704	322,911
Calaveras County	1,050,580	27,775
Angels	385,803	8,792
Total	1,436,384	36,567
Colusa County	452,081	13,929
Colusa	641,513	15,982
Williams	206,341	5,342
Total	1,299,936	35,254
Contra Costa County	7,330,550	226,542
Antioch	3,526,714	126,147
Brentwood	424,633	14,560
Clayton	93,490	8,328
Concord	14,122,836	352,210
Danville	1,496,971	94,522
El Cerrito	1,820,895	59,998
Hercules	140,599	18,035
Lafayette	1,650,691	60,555
Martinez	1,834,878	64,087
Moraga	509,023	29,158
Orinda	638,349	63,360
Pinole	1,239,780	38,039
Pittsburg	3,028,408	92,262
Pleasant Hill	4,244,378	106,974
Richmond	6,905,425	208,757
San Pablo	1,716,745	55,451
San Ramon	2,105,626	76,225
Walnut Creek	9,420,549	230,209
Total	62,270,549	1,925,429
Del Norte County	323,672	9,225
Crescent City	627,496	13,129
Total	951,169	22,354
El Dorado County	2,804,821	79,703
Placerville	1,832,657	36,695
South Lake Tahoe	2,361,500	64,318
Total	6,998,978	180,717
Fresno County	6,205,467	182,767
Clovis	3,127,984	104,320
Coalinga	432,760	17,153
Firebaugh	303,470	9,695
Fowler	215,981	7,589
Fresno	31,964,868	866,272
Huron	114,661	6,863
Kerman	425,422	12,123
Kingsburg	278,461	12,407
Mendota	263,017	13,308
Orange Cove	106,330	8,038
Parlier	101,531	10,939
Reedley	910,187	34,249
Sanger	821,390	32,321
San Joaquin	110,406	4,635
Selma	1,235,465	36,571
Total	46,617,407	1,359,258
Glenn County	702,414	22,188
Orland	388,911	11,889
Willows	453,726	13,593
Total	1,545,051	47,671
Humboldt County	1,617,545	47,166
Arcata	1,071,667	35,455
Blue Lake	15,048	2,083
Eureka	4,949,711	103,484
Ferndale	67,355	3,126
Fortuna	702,404	21,508
Rio Dell	56,968	4,837
Trinidad	33,455	1,043
Total	8,514,155	218,706
Imperial County	1,472,859	37,453
Brawley	1,107,473	40,799
Calexico	1,437,275	45,286
Calipatria	64,159	4,697
El Centro	2,625,891	76,371
Holtville	123,638	8,678
Imperial	291,247	9,813
Westmorland	58,177	3,422
Total	7,180,722	226,522
Inyo County	571,545	17,582
Bishop	994,646	18,365
Total	1,566,191	35,948
Kern County	14,476,791	412,840
Arvin	305,755	15,837
Bakersfield	20,677,760	518,631
California City	53,992	5,668
Delano	1,253,692	46,216
Maricopa	16,457	1,999
McFarland	90,316	10,142
Kern County —Continued		
Ridgecrest	1,761,390	59,213
Shafter	371,932	16,046
Taft	1,075,174	22,537
Tehachapi	69,473	9,884
Wasco	465,024	22,413
Total	40,617,763	1,141,432
Kings County	1,316,048	41,821
Avenal	149,416	8,837
Corcoran	603,005	18,129
Hanford	2,551,250	71,014
Lemoore	586,578	26,773
Total	5,206,299	166,576
Lake County	1,359,255	40,700
Clearlake	607,565	27,151
Lakeport	587,937	14,307
Total	2,554,758	82,159
Lassen County	414,463	12,576
Susanville	892,604	23,012
Total	1,307,068	35,589
Los Angeles County	41,346,382	1,317,774
Agoura Hills	1,345,009	46,113
Alhambra	7,006,564	202,479
Arcadia	5,253,804	145,948
Artesia	1,401,623	40,347
Avalon	398,399	8,759
Azusa	3,524,634	98,124
Baldwin Park	1,846,516	113,925
Bell	1,280,506	58,004
Bellflower	3,651,586	139,083
Bell Gardens	1,238,754	72,008
Beverly Hills	11,086,298	205,688
Bradbury	5,073	1,359
Burbank	13,762,848	326,068
Carson	12,128,959	287,823
Cerritos	13,082,213	275,289
Claremont	1,987,827	80,642
Commerce	11,819,560	202,121
Compton	3,937,851	188,660
Covina	5,357,585	139,325
Cudahy	742,782	38,716
Culver City	9,337,923	347,870
Downey	9,255,802	257,023
Duarte	1,329,774	47,082
El Monte	8,197,545	246,752
El Segundo	3,574,361	65,217
Gardena	5,429,258	149,024
Glendale	18,317,760	481,205
Glendora	3,340,370	119,509
Hawaiian Gardens	498,406	24,304
Hawthorne	5,415,289	169,940
Hermosa Beach	1,572,116	51,363
Hidden Hills	6,324	2,932
Huntington Park	3,590,270	126,309
Industry	15,126,702	202,858
Inglewood	7,087,738	244,020
Irwindale	2,256,949	34,227
La Canada Flintridge	1,247,132	46,332
La Habra Heights	28,766	8,013
Lakewood	6,529,567	202,326

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1987–88—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Los Angeles County —Continued		
La Mirada	3,322,512	107,625
Lancaster	7,970,426	209,342
La Puente	1,518,156	70,119
La Verne	1,692,887	64,813
Lawndale	1,856,845	64,335
Lomita	880,087	40,908
Long Beach	27,031,208	967,256
Los Angeles	266,073,337	11,770,484
Lynwood	1,535,774	97,813
Manhattan Beach	3,508,057	98,406
Maywood	698,904	44,926
Monrovia	3,862,789	103,700
Montebello	6,272,951	169,064
Monterey Park	3,398,235	139,409
Norwalk	7,045,549	223,476
Palmdale	2,453,236	79,926
Palos Verdes Estates	200,355	24,228
Paramount	3,825,801	113,425
Pasadena	16,515,528	420,048
Pico Rivera	3,946,688	145,875
Pomona	8,024,210	280,964
Rancho Palos Verdes	722,669	80,675
Redondo Beach	6,955,037	181,469
Rolling Hills	32,444	3,299
Rolling Hills Estates	1,384,463	30,996
Rosemead	2,656,680	105,621
San Dimas	1,798,009	65,420
San Fernando	2,312,963	59,236
San Gabriel	2,673,446	87,064
San Marino	335,003	24,739
Santa Clarita [a]	1,887,708	98,049
Santa Fe Springs	13,192,345	208,086
Santa Monica	14,478,308	527,430
Sierra Madre	165,915	18,249
Signal Hill	4,795,934	68,175
South El Monte	3,259,018	71,026
South Gate	4,865,976	177,514
South Pasadena	1,001,804	49,759
Temple City	1,307,706	65,078
Torrance	23,888,913	535,889
Vernon	5,337,494	74,284
Walnut	630,308	42,033
West Covina	8,320,281	254,370
West Hollywood	6,484,572	190,826
Westlake Village	956,280	29,994
Whittier	6,700,249	209,100
Total	732,123,935	25,309,018
Madera County	1,858,647	57,556
Chowchilla	397,665	13,479
Madera	2,099,531	67,782
Total	4,355,844	138,818
Marin County	1,426,940	46,212
Belvedere	55,083	4,179
Corte Madera	2,894,324	51,595
Fairfax	260,334	14,071
Larkspur	1,078,087	31,742
Mill Valley	1,257,798	36,380
Novato	2,806,329	103,382
Ross	33,846	4,496
San Anselmo	622,845	26,192
San Rafael	9,236,909	196,561
Sausalito	1,356,079	31,156
Tiburon	354,231	17,457
Total	21,382,809	563,428
Mariposa County	832,634	25,042
Mendocino County	1,983,130	60,979
Fort Bragg	943,930	21,203
Point Arena	29,163	1,016
Ukiah	1,690,444	44,258
Willits	591,915	14,248
Total	5,238,584	141,704
Merced County	2,085,284	60,725
Atwater	693,824	39,581
Dos Palos	239,866	9,295
Gustine	106,035	6,595
Livingston	210,022	12,207
Los Banos	914,564	30,972
Merced	4,584,310	140,967
Total	8,833,908	300,344
Modoc County	142,600	4,403
Alturas	309,197	9,081
Total	451,797	13,485
Mono County	258,158	7,494
Mammoth Lakes	694,153	19,101
Total	952,311	26,596
Monterey County	3,458,915	102,967
Carmel	1,704,092	31,153
Del Rey Oaks	107,311	3,813
Gonzales	126,583	7,439
Greenfield	189,468	10,624
King City	542,625	17,621
Marina	497,746	45,850
Monterey	4,640,993	109,648
Pacific Grove	998,890	37,025
Salinas	9,390,955	272,312
Sand City	207,840	2,902
Seaside	2,520,352	89,735
Soledad	156,572	11,335
Total	24,542,350	742,430
Napa County	2,810,222	86,050
Calistoga	253,287	9,807
Napa	3,986,352	138,226
St. Helena	638,937	15,942
Yountville	153,737	6,635
Total	7,842,536	256,661
Nevada County	2,602,003	80,043
Grass Valley	1,463,672	32,864
Nevada City	460,296	10,046
Total	4,525,972	122,954
Orange County	20,778,499	625,533
Anaheim	32,568,351	807,594
Brea	5,911,914	131,774
Buena Park	9,462,343	231,974
Costa Mesa	22,313,149	443,247
Cypress	2,831,756	102,648
Fountain Valley	3,860,399	134,480
Fullerton	12,877,587	336,242
Garden Grove	13,021,892	373,183
Huntington Beach	17,515,082	518,510
Orange County —Continued		
Irvine	18,703,478	386,458
Laguna Beach	1,804,904	52,899
La Habra	4,156,005	125,949
La Palma	627,509	31,936
Los Alamitos	2,244,417	45,358
Mission Viejo [a]	288,600	32,288
Newport Beach	11,211,270	255,489
Orange	17,643,719	392,372
Placentia	2,631,860	92,564
San Clemente	2,121,125	78,457
San Juan Capistrano	2,167,694	60,215
Santa Ana	27,754,391	699,584
Seal Beach	1,056,220	54,366
Stanton	2,394,151	72,948
Tustin	6,554,610	157,210
Villa Park	163,391	12,791
Westminster	8,350,985	225,067
Yorba Linda	1,207,488	77,497
Total	252,222,801	6,558,650
Placer County	4,588,149	138,458
Auburn	1,483,372	33,905
Colfax	278,922	5,242
Lincoln	400,347	14,010
Loomis	277,266	13,783
Rocklin	644,091	29,091
Roseville	5,739,235	126,158
Total	13,411,386	360,650
Plumas County	937,159	30,446
Portola	101,525	4,414
Total	1,038,685	34,860
Riverside County	13,265,542	407,348
Banning	1,158,029	40,132
Beaumont	784,704	22,508
Blythe	1,026,588	24,928
Cathedral City	2,882,333	73,910
Coachella	547,567	27,307
Corona	5,614,472	144,605
Desert Hot Springs	383,167	18,508
Hemet	3,099,503	86,618
Indian Wells	356,879	7,307
Indio	3,610,982	93,615
Lake Elsinore	1,267,940	33,502
La Quinta	504,949	18,483
Moreno Valley	2,613,634	146,633
Norco	968,985	44,673
Palm Desert	4,412,860	82,346
Palm Springs	4,860,670	128,147
Perris	1,244,675	31,944
Rancho Mirage	1,497,035	33,590
Riverside	21,311,390	582,227
San Jacinto	523,870	24,004
Total	71,935,784	2,072,344
Sacramento County	51,934,873	1,582,614
Folsom	1,403,922	49,283
Galt	420,042	16,116
Isleton	100,967	2,477
Sacramento	32,427,932	926,452
Total	86,287,738	2,576,944

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1987–88—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
San Benito County	731,695	20,484
Hollister	1,164,903	40,469
San Juan Bautista	70,995	3,168
Total	1,967,593	64,122
San Bernardino County	15,112,249	450,608
Adelanto	84,813	7,904
Barstow	2,211,897	59,980
Big Bear Lake	811,186	24,025
Chino	4,984,900	136,925
Colton	4,282,523	101,782
Fontana	4,915,351	150,685
Grand Terrace	247,058	17,757
Highland [a]	121,441	25,365
Loma Linda	855,946	30,217
Montclair	7,475,880	139,813
Needles	405,311	13,061
Ontario	10,950,819	318,916
Rancho Cucamonga	3,746,823	167,951
Redlands	4,143,496	135,531
Rialto	2,822,257	118,536
San Bernardino	18,494,148	463,933
Twenty-nine Palms [a]	160,572	9,393
Upland	5,311,308	158,936
Victorville	5,335,881	107,586
Total	92,473,867	2,638,914
San Diego County	8,637,309	321,799
Carlsbad	7,093,760	176,400
Chula Vista	9,565,223	300,334
Coronado	974,985	47,577
Del Mar	536,266	14,934
El Cajon	11,501,368	287,256
Encinitas	3,822,092	157,720
Escondido	14,742,774	325,215
Imperial Beach	492,859	42,446
La Mesa	6,671,303	170,340
Lemon Grove	1,742,300	56,594
National City	9,473,518	215,275
Oceanside	5,870,419	226,357
Poway	2,292,980	103,870
San Diego	94,124,194	2,809,207
San Marcos	6,052,018	110,219
Santee	3,555,612	130,760
Solana Beach	1,037,944	50,193
Vista	2,702,686	111,265
Total	190,889,616	5,657,769
City and County of San Francisco	76,791,246	2,363,663
San Joaquin County	6,049,414	182,019
Escalon	283,070	9,568
Lodi	4,264,252	123,395
Manteca	2,241,074	84,601
Ripon	347,893	12,221
Stockton	17,112,741	505,675
Tracy	1,840,066	66,635
Total	32,138,513	984,119
San Luis Obispo County	2,860,490	82,090
Arroyo Grande	1,368,028	37,967
Atascadero	1,428,498	49,271
Grover City	571,158	23,066
Morro Bay	850,675	25,952
Paso Robles	1,846,778	47,911
Pismo Beach	593,063	17,552
San Luis Obispo	5,873,112	136,266
Total	15,391,807	420,078
San Mateo County	9,212,140	292,882
Atherton	77,445	12,366
Belmont	1,227,840	53,776
Brisbane	2,472,757	40,054
Burlingame	6,010,023	118,097
Colma	3,148,882	37,473
Daly City	5,919,608	204,936
East Palo Alto	211,508	41,068
Foster City	1,854,598	67,332
Half Moon Bay	631,988	19,906
Hillsborough	118,070	17,595
Menlo Park	3,216,747	86,371
Millbrae	1,620,728	54,097
Pacifica	940,815	66,205
Portola Valley	77,417	7,349
Redwood City	8,580,041	204,566
San Bruno	3,621,146	104,224
San Carlos	2,814,580	76,727
San Mateo	10,782,195	280,975
South San Francisco	8,294,386	187,620
Woodside	186,348	10,559
Total	71,019,273	1,984,187
Santa Barbara County	6,597,310	215,610
Carpinteria	733,557	26,527
Guadalupe	109,047	9,111
Lompoc	1,824,843	71,787
Santa Barbara	10,904,768	270,222
Santa Maria	6,403,869	169,035
Solvang	735,688	20,507
Total	27,309,085	782,802
Santa Clara County	2,565,222	85,118
Campbell	5,601,954	129,890
Cupertino	6,049,279	149,344
Gilroy	2,729,311	78,673
Los Altos	1,936,302	68,813
Los Altos Hills	67,198	12,349
Los Gatos	4,075,125	99,914
Milpitas	4,772,067	130,212
Monte Sereno	44,802	5,040
Morgan Hill	1,489,887	50,349
Mountain View	11,320,614	247,077
Palo Alto	12,795,485	269,654
San Jose	61,883,998	1,889,726
Santa Clara	23,190,174	462,487
Saratoga	850,810	54,583
Sunnyvale	21,858,095	445,393
Total	161,230,331	4,178,631
Santa Cruz County	4,345,014	123,954
Capitola	2,266,650	48,587
Santa Cruz	5,336,912	141,437
Scotts Valley	1,385,850	29,193
Watsonville	2,702,907	77,554
Total	16,037,335	420,726
Shasta County	1,871,797	56,631
Anderson	732,285	20,263
Redding	8,705,765	198,257
Total	11,309,848	275,152
Sierra County	84,057	2,385
Loyalton	43,008	2,240
Total	127,066	4,625
Siskiyou County	492,549	15,284
Dorris	22,083	1,654
Dunsmuir	114,405	4,711
Etna	38,125	1,691
Fort Jones	49,005	1,559
Montague	36,949	2,723
Mount Shasta	503,099	10,805
Tulelake	59,922	1,967
Weed	222,717	7,190
Yreka	981,394	26,333
Total	2,520,253	73,922
Solano County	1,336,426	41,317
Benicia	1,694,236	53,570
Dixon	626,666	23,979
Fairfield	6,299,290	190,863
Rio Vista	382,267	10,401
Suisun	344,327	28,694
Vacaville	2,732,956	120,697
Vallejo	5,451,175	209,864
Total	18,867,346	679,388
Sonoma County	6,397,780	195,613
Cloverdale	287,418	9,864
Cotati	543,114	14,109
Healdsburg	1,378,780	31,930
Petaluma	3,543,705	105,322
Rohnert Park	1,665,978	67,601
Santa Rosa	15,077,635	361,484
Sebastopol	807,484	20,151
Sonoma	953,973	23,602
Total	30,655,870	829,679
Stanislaus County	6,683,043	201,264
Ceres	1,484,598	46,482
Hughson	116,694	6,228
Modesto	12,691,088	377,787
Newman	230,636	8,059
Oakdale	1,051,885	29,462
Patterson	361,149	12,750
Riverbank	374,581	13,231
Turlock	3,021,210	91,351
Waterford	103,882	6,141
Total	26,118,770	792,760

Note: Detail may not add to total due to rounding.

[a] During the fiscal year, sales tax ordinances went into effect in two newly incorporated cities. Those cities, the effective date of their sales tax ordinances and the number of months of sales tax distributions they received during 1985–86 are as follows:

Orinda, October 1, 1985, 7 months

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1987–88—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Sutter County	1,213,811	39,155
Live Oak	81,492	6,581
Yuba City	2,884,168	71,592
Total	4,179,472	117,329
Tehama County	561,082	17,265
Corning	765,114	17,651
Red Bluff	1,257,290	33,847
Tehama	607	560
Total	2,584,095	69,325
Trinity County	491,850	14,820
Tulare County	4,085,494	130,254
Dinuba	528,419	24,013
Exeter	296,827	14,061
Farmersville	97,325	10,131
Lindsay	360,272	16,638
Porterville	2,302,853	68,094
Tulare	2,120,892	69,700
Visalia	7,501,490	196,362
Woodlake	133,312	9,465
Total	17,426,888	538,723
Tuolumne County	2,037,512	61,062
Sonora	779,928	17,225
Total	2,817,440	78,287
Ventura County	5,298,305	156,732
Camarillo	2,855,073	105,680
Fillmore	485,240	22,655
Moorpark	623,094	34,332
Ojai	569,122	18,968
Oxnard	9,786,578	312,893
Port Hueneme	573,125	37,036
Santa Paula	964,507	47,124
Simi Valley	5,547,136	209,499
Thousand Oaks	10,533,555	291,664
Ventura	12,403,017	298,465
Total	49,638,757	1,535,052
Yolo County	1,087,207	93,486
Davis	2,087,762	88,637
West Sacramento	4,181,820	88,507
Winters	100,803	6,552
Woodland	3,296,997	95,789
Total	10,754,592	372,974
Yuba County	843,646	24,280
Marysville	1,806,147	42,213
Wheatland	38,172	3,090
Total	2,687,967	69,584
Amounts distributed to:		
City and County of San Francisco	76,791,246	2,363,663
Counties other than San Francisco	292,544,206	9,056,370
Cities other than San Francisco	2,048,734,419	62,009,541
Grand totals	2,418,069,873	73,429,575

Note: Detail may not add to total due to rounding.

* During the fiscal year, sales tax ordinances went into effect in four newly incorporated cities. Those cities, the effective date of their sales tax ordinances and the number of months of sales tax distributions they received during 1987–88 are as follows:

Highland, January 1, 1988, 4 months
Santa Clarita, January 1, 1988, 4 months
Twenty-nine Palms, January 1, 1988, 4 months
Mission Viejo, April 1, 1988, 1 month

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1987–88

County	Revenue distributed [b]	County	Revenue distributed [b]	County	Revenue distributed [b]
1	2	1	2	1	2
Alameda	$28,989,652	Marin	$5,346,531	San Mateo	$17,746,872
Alpine	37,372	Mariposa	208,180	Santa Barbara	6,828,204
Amador	390,248	Mendocino	1,309,991	Santa Clara	40,168,377
Butte	2,792,072	Merced	2,209,218	Santa Cruz	4,009,932
Calaveras	359,153	Modoc	113,044	Shasta	2,828,186
Colusa	325,178	Mono	238,054	Sierra	31,711
Contra Costa	15,570,325	Monterey	6,136,723	Siskiyou	630,267
Del Norte	237,943	Napa	1,960,660	Solano	4,713,833
El Dorado	1,749,985	Nevada	1,131,781	Sonoma	7,665,041
Fresno	11,655,795	Orange	63,131,910	Stanislaus	6,530,618
Glenn	390,053	Placer	3,353,087	Sutter	1,046,940
Humboldt	2,128,098	Plumas	259,556	Tehama	645,964
Imperial	1,795,165	Riverside	17,986,341	Trinity	122,946
Inyo	391,424	Sacramento	21,572,506	Tulare	4,357,912
Kern	10,152,433	San Benito	492,009	Tuolumne	704,332
Kings	1,301,695	San Bernardino	23,111,023	Ventura	12,414,577
Lake	638,594	San Diego	47,721,099	Yolo	2,689,213
Lassen	326,846	San Francisco	19,203,416	Yuba	671,920
Los Angeles	182,977,556	San Joaquin	8,037,397		
Madera	1,089,021	San Luis Obispo	3,848,731	Total	$604,476,706

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $4,976,803 and the Business and Transportation Agency's administrative charge of $100,000.

TABLE 21C—REVENUES DISTRIBUTED TO TRANSIT DISTRICTS FROM TRANSACTIONS AND USE TAX, 1987–88

District	Revenue distributed [a]
1	2
Alameda County Transportation Authority [h]	$48,273,036
Bay Area Rapid Transit District [b]	121,729,987
Fresno County Transportation Authority [i]	16,671,840
Los Angeles County Transportation Commission [c]	348,229,070
San Diego County Regional Transportation Commission [j]	5,614,900
San Mateo County Transit District [d]	31,541,129
Santa Clara County Traffic Authority [e]	76,084,287
Santa Clara County Transit District [f]	78,289,288
Santa Cruz Metropolitan Transit District [g]	8,971,284
Total	$735,404,821

[a] These are actual payments to the transit districts and exclude administrative charges of $10,807,973.

[b] This one-half of one percent tax became effective April 1, 1970 in the counties of Alameda, Contra Costa, and San Francisco. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table 2, footnote d.) The BARTD figures above include MTC allocations. For 1987–88, BARTD received direct allocations of $92,243,368 and $29,486,619 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $15,813,523; San Francisco Municipal Railway, $13,371,129; and BARTD, $301,867.

[c] This one-half of one percent tax became effective July 1, 1982 in Los Angeles County. The one-half of one percent Southern California Rapid Transit District Sales Tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[d] This one-half of one percent tax became effective July 1, 1982 in San Mateo County.

[e] This one-half of one percent tax became effective April 1, 1985 in Santa Clara County.

[f] This one-half of one percent tax became effective October 1, 1976 in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979 in Santa Cruz County.

[h] This one-half of one percent tax became effective April 1, 1987 in Alameda County.

[i] This one-half of one percent tax became effective July 1, 1987 in Fresno County.

[j] This one-half of one percent tax became effective April 1, 1988 in San Diego County.

TABLE 22A—LOCAL SALES TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1 -57 TO 1987–88

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]		Total		
		To counties [c]	To cities			
1	2	3	4	5	6	7
1987–88	$604,477	$369,335	$2,048,734	$3,022,547	.82	$25,165
1986–87	557,863	348,366	1,884,007	2,232,373	.82	23,224
1985–86	535,272	344,736	1,794,613	2,674,621	.82	22,045
1984–85	500,230	342,520	1,639,278	2,502,028	.82	20,972
1983–84	447,671	312,547	1,478,733	2,238,951	.82	18,751
1982–83	391,367	282,212	1,279,151	1,952,730	.82	16,613
1981–82	392,756	289,469	1,282,420	1,964,645	.82	16,433
1980–81	361,888	272,741	1,176,000	1,810,629	.82	15,253
1979–80	340,922	255,372	1,108,417	1,704,711	.82	14,181
1978–79	296,051	220,403	962,997	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	559,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,986	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,652
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,152
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,145 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ½ of one percent; see Table 22B.

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $5,076,803 in 1987–88.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,825,750 discussed in the previous footnote.

TABLE 22B—TRANSIT DISTRICT TAX DISTRIBUTIONS AND ADMINISTRATIVE CHARGES, 1969–70 TO 1987–88
(in thousands of dollars)

Fiscal year	Net amount distributed	Administrative charge
1	2	3
1987–88	$735,405	$10,808
1986–87	617,816	9,077
1985–86	590,066	9,723
1984–85	495,958	8,197
1983–84	445,738	7,331
1982–83	349,385	5,233
1981–82	142,505	2,252
1980–81	114,621	2,061
1979–80	119,728	1,911
1978–79	87,103	1,587
1977–78	80,680	1,404
1976–77	60,176	986
1975–76	42,424	713
1974–75	40,023	669
1973–74	35,613	599
1972–73	31,343	585
1971–72	28,325	577
1970–71	60,860	1,333
1969–70	1,570	298

TABLE 23—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JULY 1, 1988

County	City rate [a]	Cities
1	2	3
Alameda	1.00	Dublin/Livermore/ San Leandro
	.95	All other cities
Alpine	—	No incorporated cities
Amador	1.00	All cities
Butte	.95	Chico
	1.00	All other cities
Calaveras	.95	Angels
Colusa	1.00	All cities
Contra Costa	.975	All cities
Del Norte	1.00	All cities
El Dorado	1.00	All cities
Fresno	.99	Fresno
	1.00	All other cities
Glenn	1.00	All cities
Humboldt	1.00	All cities
Imperial	1.00	All cities
Inyo	1.00	All cities
Kern	1.00	All cities
Kings	.95	Hanford
	.98	All other cities
Lake	1.00	All cities
Lassen	1.00	All cities
Los Angeles	1.00	All cities
Madera	1.00	All cities
Marin	1.00	All cities
Mariposa	—	No incorporated cities
Mendocino	1.00	All cities
Merced	.925	Merced
	.95	Los Banos
	1.00	All other cities
Modoc	.90	Alturas
Mono	1.00	Mammoth Lakes
Monterey	1.00	All cities
Napa	.855	All cities
Nevada	1.00	All cities
Orange	1.00	All cities
Placer	1.00	All cities
Plumas	.95	Portola
Riverside	1.00	All cities
Sacramento	1.00	All cities
San Benito	1.00	All cities
San Bernardino	1.00	All cities
San Diego	1.00	All cities
San Francisco	1.00	—
San Joaquin	1.00	All cities
San Luis Obispo	1.00	All cities
San Mateo	.95	All cities
Santa Barbara	1.00	All cities
Santa Clara	1.00	All cities
Santa Cruz	1.00	All cities
Shasta	1.00	All cities
Sierra	.95	Loyalton
Siskiyou	1.00	All cities
Solano	1.00	All cities
Sonoma	.975	All cities
Stanislaus	.95	Modesto/Turlock
	.975	Ceres
	.995	Oakdale
	1.00	All other cities
Sutter	1.00	All cities
Tehama	1.00	Tehama
	.90	All other cities
Trinity	—	No incorporated cities
Tulare	.95	All cities
Tuolumne	.95	Sonora
Ventura	1.00	Ojai
	.967	All other cities
Yolo	1.00	All cities
Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

MOTOR VEHICLE FUEL TAXES

TABLE 24—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1987–88

Fiscal year	Gasoline				Jet fuel tax	
	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1987–88	12,822,442	$1,160,099	$19,968	161	46,364	$1,099
1986–87	12,553,224	1,125,715	21,523	140	44,304	966
1985–86	11,878,617	1,083,986	12,562	137	39,255	845
1984–85	11,642,880	1,054,864	13,911	147	41,617	884
1983–84	11,378,375	1,027,740 [c]	19,086	154	41,025	845
1982–83	10,941,848	877,130 [c]	17,139 [d]	145	37,471	703
1981–82	11,015,230	770,628 [d]	27,572	131	40,435	860
1980–81	11,185,862	787,106	25,987	102	43,713	891
1979–80	11,316,801	800,012	24,451	94	50,225	988
1978–79	11,916,829	835,947	21,716	77	46,422	915
1977–78	11,571,520	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,805	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	48	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,939,785	641,268 [e]	13,437	52	8,057 [f]	163 [f]
1968–69	8,494,055	601,783 [e]	14,596	53	—	—
1967–68	8,057,505	564,038	14,012	63	—	—
1966–67	7,649,738	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [g]	17,234	63	—	—
1964–65	7,041,337	510,954 [g]	15,981	61	—	—
1963–64	6,732,890	454,126 [h]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,532	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [i]	337,588 [i]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,693	307,038	20,531	94	—	—
1956–57	4,932,752	295,982	20,786	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	255,305 [j]	26,088	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	592,832 [k]	—	107		
1940–45	9,167,652	275,029	—	122	—	—
1935–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,593	139,925 [l]	—	82	—	—
1923–25	1,259,474	24,938 [m]	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1988 there were 96 fully-licensed distributors who incurred no tax liabilities during the year.

[c] Effective January 1, 1983, the tax rate was increased from 7 cents to 9 cents per gallon. Receipts from the two cents per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $3,456,000 in 1982–83 and $169,000 in 1983–84 including interest and penalties.

[d] A revision in the Revenue and Taxation Code effective January 1, 1982, allows a taxpayer to offset tax-paid exports against incurred tax liability instead of filing a claim for refund on such exports. Net revenue, over time, should not be affected by this revision.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $15.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[f] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1969 under the Motor Vehicle Fuel License Tax Law.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $18.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,108,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[h] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,267, including interest and penalties.

[i] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 26.)

[j] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[k] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $680,000, including interest and penalties.

[l] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[m] The motor vehicle fuel tax was first imposed October 1, 1923 at a rate of two cents per gallon.

TABLE 25—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1986–87 AND 1987–88

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1986–87	1987–88	1986–87	1987–88
1	2	3	4	5
Astra Oil Company, Incorporated	—	10,205	—	$918
Atlantic Richfield Company	2,157,439	2,344,109	$194,170	210,970
Beacon Oil Company	267,736	275,735	24,096	24,816
Berry-Hinckley Terminal Company, Incorporated	320	809	29	73
Bi-State Petroleum	2,198	3,321	198	299
Carson Valley Oil	610	1,130	55	102
Challenger Petroleum (U.S.A.), Incorporated	—	3,817	—	344
Chevron USA, Incorporated	2,010,579	2,015,456	180,951	181,391
Clarendon Marketing, Incorporated	—	11,272	—	1,014
D.M.I. Corporation	—	2,029	—	183
Douglas Oil Company of California	67,440	73,611	6,070	6,625
Ed Staub and Sons Petroleum, Incorporated	2,131	1,980	192	178
Edgington Oil Company, Incorporated	14,025	4,990	1,262	449
Eureka Fuel Company	2,012	2,319	181	209
Exxon Corporation	748,791	703,390	67,391	63,305
Fletcher Oil and Refining Company	130,318	124,239	11,729	11,182
Ford Motor Company	3,240	3,027	292	272
Golden Gate Petroleum International, Limited	96	22,455	9	2,021
Golden West Refining Company	362,459	344,303	32,621	30,987
Huntway Refining Company (1)	10,791	2,879	971	259
Huntway Refining Company (2)	—	3,355	—	302
Jaco Oil Company	812	800	73	72
Kern Oil and Refining Company	48,783	41,211	4,390	3,709
Lee Chambers Petroleum, Incorporated	1,016	1,224	91	110
Leo S. Jones Oil Compan ', Incorporated	—	1,080	—	97
Lunday-Thagard Company	2,109	1,024	190	92
MT Transportation, Incorporated	1,414	2,980	127	268
MacMillan Ring Free Oil Company, Incorporated	6,645	1,073	598	97
Mobil Oil Corporation	1,026,108	923,122	92,350	83,081
Mohave Oil Company	893	897	80	81
Nella Oil	2,298	2,338	207	210
Newhall Refining Company, Incorporated	33,272	21,273	2,994	1,915
Pacific Refining Company	72,392	97,538	6,515	8,778
Paramount Petroleum Corporation	68,225	67,450	6,140	6,071
Petro-Diamond, Incorporated	148	1,048	13	94
Pilot Petroleum Corporation	—	10,482	—	943
Powerine Oil Company	21,293	212,940	1,916	19,165
PRI International, Incorporated	—	9,287	—	836
Shell Oil Company	1,751,508	1,842,546	157,636	165,829
Sherman Petroleum, Incorporated	3,245	2,834	292	255
Snobird, Incorporated	1,456	1,491	131	134
Southland Corporation (The)	360	833	32	75
Tapogna Fuel Company	1,632	1,945	147	175
Texaco Refining and Marketing, Incorporated	875,252	794,285	78,773	71,486
Texmo Oil Company Jobbers, Incorporated	951	1,158	86	104
Time Oil Company	18,891	19,997	1,700	1,800
Tosco Corporation	537,429	553,725	48,369	49,835
U.S.A. Petroleum Corporation	1,420	1,661	128	149
Union Pacific Resources Company	324,319	370,916	29,189	33,382
United Oil Company	818	1,240	74	112
UNOCAL	1,583,521	1,569,822	142,517	141,284
Vitol, S.A., Incorporated	9,692	8,845	872	796
Western Energetix Corporation	1,444	1,410	130	127
Wickland International	—	2,502	—	225
Wickland Oil Terminals	266,490	227,642	23,984	20,488
World Oil Company	45,277	51,388	4,075	4,625
Wright Oil Company	9,812	4,654	883	419
Wright Terminals, Incorporated	—	2,288	—	206
103 Other distributors paying less than $70,000 in 1987–88	52,983	10,531	4,768	948
Adjustments	1,140	531	(3,972)	6,127
Total	12,553,224	12,822,442	$1,125,715	$1,160,099

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $21,523,000 in 1986–87 and $19,968,000 in 1987–88 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

MOTOR VEHICLE FUEL TAXES

TABLE 26—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1987–88

Fiscal year	Taxable distributions (in thousands of gallons): Diesel	Total tax [a] (in thousands)	Self-assessed taxes (in thousands): Diesel	Self-assessed taxes (in thousands): LPG [b]	Active permits on December 31: Users	Active permits on December 31: Vendors	Tax paid at reduced rate by transit districts (in thousands) [c]
1	2	3	4	5	6	7	8
1987–88	1,760,684	$154,615	$148,332	$2,929	80,289	3,242	$1,266
1986–87	1,667,829	146,962 [r]	141,997 [r]	2,261	76,159	3,286	1,013
1985–86	1,525,237	134,964	130,297	2,699	72,745	3,318	872
1984–85	1,466,586	129,733 [r]	125,685	2,988	68,153	3,233	788
1983–84	1,424,584	125,986	121,711	3,020	58,526	3,109	813
1982–83	1,257,607	97,834	94,059 [d]	3,053	56,315	2,969	748
1981–82	1,185,620 [r]	81,773	78,206	3,028	54,615	2,738	783
1980–81	1,179,810	81,769	78,635	2,749	50,870	2,461	659
1979–80	1,162,560	80,144	77,557	2,184	46,324	2,132	637
1978–79	1,104,046	75,530	73,545	1,611	42,971	1,916	624
1977–78	987,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,487	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,981	45,155	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511 [e]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597 [e]	774	22,430	1,376	312 [f]
1967–68	477,249	34,375	33,407	814	20,843	1,360	—
1966–67	435,900	31,480	30,513	829	19,507	1,315	—
1965–66	419,286	31,214	30,054 [g]	1,028 [g,h]	18,038	1,256	—
1964–65	387,014	29,465	28,098 [g]	1,211 [g]	17,391	1,216	—
1963–64	358,995	26,532	25,129	1,274 [i]	16,238	1,217	—
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	—
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	—
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	—
1959–60	280,157	20,837	19,609	1,094 [j]	12,451	1,109	—
1958–59	267,247	18,812	18,694	—	10,192	801	—
1957–58	246,711	17,454	17,270	—	9,807	773	—
1956–57	237,481	16,826	16,624	—	9,530	862	—
1955–56	226,448	16,018	15,850	—	8,877	825	—
1954–55	202,406	14,323	14,172	—	8,182	853	—
1953–54	183,043	12,873	12,738 [k]	—	7,441 [r]	751 [l]	—
1952–53	174,026	7,946	7,831	—	6,197	—	—
1951–52	150,683	6,885	6,780	—	5,166	—	—
1950–51	131,562	6,023	5,920	—	4,244	—	—
1945–50	406,708	16,527	16,238 [m]	—	2,610	—	—
1940–45	205,397	6,235	6,162	—	1,051	—	—
1937–40	38,625	1,178	1,159 [n]	—	n.a.	—	—

[a] Includes interest and penalties which amounted to $3,291,000 during the 1987–88 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $796,000 during 1987–88, 27.2 percent of LPG taxes.

[c] These amounts are also included in columns 3 and 4.

[d] Effective January 1, 1983, the tax rate on diesel fuel was increased from 7 cents to 9 cents per gallon.

[e] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $837,000 during the 1969–70 year.

[f] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[g] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[h] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[i] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[j] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[k] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[l] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[m] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[n] This tax became effective July 1, 1937 at a rate of 3 cents per gallon on diesel and other fuels not subject to the motor vehicle fuel tax.

[r] Revised.

n.a. Not available.

ALCOHOLIC BEVERAGE TAX

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1987–88 [a]

(In thousands of dollars)

Fiscal year	Beer	Wine			Distilled spirits	Total
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1987–88	$26,182	$1,074	$177	$2,961	$97,847	$128,241
1986–87	25,653	1,084	180	3,180	100,265	130,362 [b]
1985–86	25,667 [r]	1,114	165 [r]	3,447	102,097	132,490
1984–85	25,146	1,017	156	3,243	105,497	135,059
1983–84	25,017	981	162	3,201	107,128	136,489
1982–83	24,043	957	168	2,742	108,786	136,696
1981–82	24,644	928	167	2,470	112,146	140,355
1980–81	24,707	899	167	2,293	114,999	143,065
1979–80	23,300	836	175	1,973	113,311	139,596
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	755	210	1,643	111,194	134,753
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	262	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,965
1968–69	12,743	316	286	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,442	169	345	313	45,283	55,552
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,923
1956–57	3,847	105	331	181	— 34,784	39,248
1955–56	3,803	104	326	151 [e]	31,518 [f]	35,902
1954–55	3,636	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91 [i]	40,276 [j]	50,016
1932–35 [k]	2,397	—	479 [l]	—	—	2,876

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] In previous reports this footnote presented detail on collections based on audits along with refunds and interest and penalties. Such detail is no longer available.

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,089,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1955, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,120,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Beginning July 1, 1935, tax on sparkling wine and champagne was imposed at 3 cents per pint.

[j] The excise tax on distilled spirits was first imposed July 1, 1935 at a rate of 80 cents per gallon.

[k] The alcoholic beverage tax was first effective April 6, 1933 at a rate of 2 cents per gallon on beer and wine.

[l] Includes all types of wines. The tax rate was 2 cents per gallon on all wine and the different types were not reported separately.

[r] Revised.

ALCOHOLIC BEVERAGE TAX

TABLE 28—APPARENT CONSUMPTION [a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1987–88

(In thousands of gallons)

Fiscal year	Beer [b]	Wine				Distilled spirits
		Still wines		Champagne and sparkling wines	Total wine consumption	
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1987–88	650,286	107,267	8,862	9,871	126,000	48,886
1986–87	664,051	108,442	8,991	10,599	128,032	50,132
1985–86	634,915	111,358	8,245	11,489	131,191	51,048
1984–85	626,426	101,671	7,821	10,809	120,301	52,748
1983–84	623,174	98,131	8,099	10,670	116,900	53,564
1982–83	598,790	95,718	8,416	9,141	113,275	54,393
1981–82	610,873	92,815	8,374	8,232	109,421	56,073
1980–81	610,689	89,931	8,339	7,642	105,912	57,500
1979–80	576,951	83,621	8,745	6,577	98,943	56,656
1978–79	564,280	81,495	9,507	6,175	97,177	56,665
1977–78	528,724	75,538	10,489	5,475	91,502	55,597
1976–77	506,034	68,985	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	298,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,82[illegible]	21,790	16,131	1,629	39,550	36,102
1963–64	26[illegible],145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,2[illegible]	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951. Prior to July 1951, such distributions were taxable. Effective January 1, 1980, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1987–88

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1987–88	28,019,000	23.21	4.50	1.74
1986–87	27,338,000 r	24.29 r	4.68 r	1.83 r
1985–86	26,687,500	23.79	4.92	1.91
1984–85	26,079,000	24.02	4.61	2.02
1983–84	25,414,000	24.52	4.60	2.11
1982–83	24,944,700	24.00	4.54	2.18
1981–82	24,469,500	24.96	4.47	2.29
1980–81	23,992,900	25.45	4.41	2.40
1979–80	23,534,000	24.52	4.20	2.41
1978–79	23,072,000	24.46	4.21	2.46
1977–78	22,610,000	23.38	4.05	2.46
1976–77	22,164,000	22.83	3.80	2.38
1975–76	21,756,000	21.70	3.76	2.42
1974–75	21,374,000	21.55	3.56	2.37
1973–74	21,036,000	20.49	3.50	2.39
1972–73	20,737,000	19.53	3.55	2.33
1971–72	20,470,000	19.33	3.26	2.32
1970–71	20,193,000	17.67	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.98
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces, see Table 28 footnote b.
r Revised.

CIGARETTE TAX

TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1987–88

(In thousands of dollars)

Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties
1	2	3	4	5	6
1987–88	$252,504	n.a.	n.a.	n.a.	$75,172
1986–87	252,745	$2,163	$254,908	$2,661	75,609
1985–86	257,650	2,202	259,852	2,834	77,443
1984–85	262,470	2,244	264,714	2,390	78,861
1983–84	265,788	2,271	268,059	2,756	78,969
1982–83	271,138	2,314	273,452	2,060	81,486
1981–82	276,262	2,362	278,624	1,843	83,047
1980–81	274,885	2,349	277,234	1,567	82,465
1979–80	272,053	2,327	274,380	1,645	81,616
1978–79	268,816	2,303	271,805	1,369	80,645
1977–78	274,102	2,348	276,005	1,239	82,231
1976–77	269,385	2,309	272,015	832	80,815
1975–76	268,610	2,303	270,913	927	80,583
1974–75	261,975	2,246	264,346	745	78,593
1973–74	258,921	2,220	262,688	632	77,676
1972–73	253,602	2,174	255,774	626	76,081
1971–72	246,351	2,112	248,181	677	73,904
1970–71	239,195	2,051	241,870	552	71,764
1969–70	235,901	2,022	238,835	455	70,762
1968–69	237,159	2,032	239,376	492	71,140
1967–68	205,985 [d,e]	1,786	209,654	356	52,059 [d]
1966–67	75,597	1,543	77,130	136	—
1965–66	74,578	1,522	76,334	92	—
1964–65	74,477	1,520	75,948	56	—
1963–64	71,822	1,468	73,391	77	—
1962–63	70,194	1,437	71,836	79	—
1961–62	66,054	1,391	69,557	58	—
1960–61	66,024 [g]	1,675 [f]	67,372	76	—
1959–60	64,805 [h]	767 [i]	64,805	27	—

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1987, this amounted to $19,933,132 and on June 30, 1988, it amounted to $18,000,733.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967, and $4,989,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $324,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959, and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

n.a. Not available.

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1987–88

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1987–88	n.a.	n.a.	n.a.	n.a.
1986–87	2,644	2,549	95	96.7 [r]
1985–86	2,697	2,599	98	101.1
1984–85	2,755	2,647	108	105.6
1983–84	2,798	2,681	117	110.1
1982–83	2,863	2,735	128	114.8
1981–82	2,922	2,786	136	119.4
1980–81	2,913	2,772	141	121.4
1979–80	2,892	2,744	148	122.9
1978–79	2,875	2,718	157	124.6
1977–78	2,926	2,760	166	129.4
1976–77	2,892	2,720	172	130.5
1975–76	2,896	2,709	187	133.1
1974–75	2,836	2,643	193	132.7
1973–74	2,834	2,627	207	134.7
1972–73	2,755	2,546	209	132.9
1971–72	2,714	2,499	215	132.6
1970–71	2,630	2,419	211	130.2
1969–70	2,588	2,387	201	129.9
1968–69	2,600	2,393	207	132.2
1967–68	2,688	2,475	213	138.8
1966–67	2,735	2,571	164	143.6
1965–66	2,703	2,544	159	144.8
1964–65	2,677	2,532	145	146.6
1963–64	2,577	2,446	131	145.0
1962–63	2,534	2,398	136	147.2
1961–62	2,449	2,319	130	147.2
1960–61	2,370	2,246	124	147.1
1959–60	2,176	2,071	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.
[r] Revised.
n.a. Not available.

TABLE 31—1987 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1988, BY COMPANY

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
FIRE AND CASUALTY INSURERS		
Aetna Casualty and Surety Company (The)	$612,068	14,383,592
All West Insurance Company	100,760	2,367,862
Allstate Insurance Company	1,380,346	32,438,136
American Home Assurance Company	132,946	3,124,233
American Motorists Insurance Company	181,579	4,267,100
American National Fire Insurance Company	145,959	3,430,046
American States Insurance Company	104,443	2,454,402
Argonaut Insurance Company	112,446	2,642,487
Associated Indemnity Corporation	171,024	4,019,065
Beaver Insurance Company	119,463	2,807,390
CalFarm Insurance Company	141,810	3,332,529
California Casualty Indemnity Exchange (The)	153,875	3,616,051
California State Automobile Association Inter-Insurance Bureau	945,290	22,214,326
Central-National Insurance Company	164,508	3,865,945
Continental Casualty Company	141,193	3,318,046
Continental Insurance Company (The)	243,816	5,729,684
Employee Benefits Insurance Company	96,247	2,261,808
Employers Insurance of Wausau, A Mutual Company	111,681	2,624,505
Fairmont Insurance Company	190,557	4,478,099
Farmers Insurance Exchange	949,205	22,306,328
Federal Insurance Company	275,039	6,463,406
Fire Insurance Exchange	336,411	7,905,665
Fireman's Fund Insurance Company	663,342	15,588,541
Fremont Compensation Insurance Company	167,233	3,929,974
Golden Eagle Insurance Company	160,513	3,772,060
Government Employees Insurance Company	117,220	2,754,661
Hartford Accident and Indemnity Company	323,398	7,599,846
Home Insurance Company (The)	113,599	2,669,586
Industrial Indemnity Company	585,511	13,759,507
Insurance Company of North America	378,036	8,883,855
Inter-Insurance Exchange of the Automobile Club of Southern California	800,014	18,800,340
Liberty Mutual Fire Insurance Company	397,233	9,334,969
Liberty Mutual Insurance Company	118,811	2,792,067
Mercury Casualty Company	292,048	6,863,119
Mid-Century Insurance Company	337,847	7,939,396
National Surety Corporation	191,627	4,503,229
National Union Fire Insurance Company of Pittsburgh, Pennsylvania	747,853	17,574,536
Nationwide Mutual Insurance Company	215,459	5,745,948
New York Underwriters Insurance Company	122,496	2,878,665
Ohio Casualty Insurance Company (The)	90,790	2,331,218
Old Republic Insurance Company	99,222	2,331,725
Pacific Employers Insurance Company	196,839	4,625,728
Pacific Indemnity Company	131,470	3,089,542
Progressive Casualty Insurance Company	167,393	4,158,286
Republic Indemnity Company of America	199,296	4,683,449
Royal Insurance Company of America	164,379	3,862,902
SAFECO Insurance Company of America	268,431	6,308,123
Southern California Physicians Insurance Exchange	114,834	2,698,599
St. Paul Fire and Marine Insurance Company	97,660	2,295,010
State Compensation Insurance Fund	1,220,958	28,692,507
State Farm Fire and Casualty Company	1,014,476	23,840,182
State Farm Mutual Automobile Insurance Company	1,603,738	37,687,852
Transamerica Insurance Company	222,850	5,236,984
Transamerica Premier Insurance Company	96,002	2,256,038
Transportation Insurance Company	124,017	2,914,411
Travelers Indemnity Company (The)	283,459	6,661,298
Travelers Indemnity Company of Illinois (The)	167,557	3,937,600
Truck Insurance Exchange	590,561	13,878,174
Twentieth Century Insurance Company	502,901	11,818,165
Unigard Security Insurance Company	92,930	2,183,860
United Pacific Insurance Company	145,874	3,428,038
United Services Automobile Association	273,993	6,438,837
United States Fidelity and Guaranty Company	146,550	3,443,929
West American Insurance Company	191,209	4,493,420
Zenith Insurance Company	143,041	3,361,459
537 other fire and casualty insurers	7,837,862	185,866,822
Totals for fire and casualty insurers	$28,731,198	$677,965,159

[b] Each having a total tax of less than $2,100,000.

TABLE 31—1987 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1988, BY COMPANY—Concluded

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$477,943	$8,963,629
Allstate Life Insurance Company	236,715	5,316,517
American General Group Insurance Company	89,458	2,230,389
American National Insurance Company	55,608	1,596,694
AMEX Life Assurance Company	81,682	1,917,325
CalFarm Life Insurance Company	62,354	1,426,468
California-Western States Life Insurance Company	85,325	1,936,189
Connecticut General Life Insurance Company	227,758	5,100,618
Connecticut Mutual Life Insurance Company (The)	75,209	1,704,176
Continental Assurance Company	117,028	2,480,188
Crown Life Insurance Company	91,221	2,139,471
Employers Health Insurance Company	72,333	1,699,829
Equitable Life Assurance Society of the United States (The)	301,988	5,600,879
Equitable Variable Life Insurance Company	168,373	3,956,771
Executive Life Insurance Company	273,043	5,776,393
Family Life Insurance Company	111,934	2,495,086
Farmers New World Life Insurance Company	82,386	1,852,109
Fidelity Bankers Life Insurance Company	94,314	2,214,861
First Colony Life Insurance Company	63,071	1,435,018
First Farwest Life Insurance Company	92,341	2,170,021
General American Life Insurance Company	138,844	3,114,041
Great-West Life Assurance Company (The)	74,671	1,670,024
Guardian Life Insurance Company of America (The)	92,012	2,143,772
Hartford Life and Accident Insurance Company	76,815	1,803,233
Jackson National Life Insurance Company	175,638	4,102,247
John Hancock Mutual Life Insurance Company	228,110	3,418,373
Life Insurance Company of North America	63,542	1,443,862
Lincoln National Life Insurance Company (The)	181,744	4,261,199
Manufacturers Life Insurance Company (The)	170,011	3,369,777
Massachusetts Indemnity and Life Insurance Company	121,733	2,860,416
Massachusetts Mutual Life Insurance Company	188,804	3,979,934
Metropolitan Life Insurance Company	479,983	10,545,734
Monarch Life Insurance Company	206,764	4,852,433
Mutual Benefit Life Insurance Company (The)	107,229	2,415,390
Mutual Life Insurance Company of New York (The)	97,974	2,255,228
Mutual of Omaha Insurance Company	83,923	1,972,194
New England Mutual Life Insurance Company	80,498	1,678,684
New York Life Insurance and Annuity Corporation	126,055	2,949,774
New York Life Insurance Company	528,727	11,719,877
Northwestern Mutual Life Insurance Company (The)	180,429	3,940,925
Northwestern National Life Insurance Company	82,441	1,933,302
Pacific Mutual Life Insurance Company	349,402	6,923,447
Pacific Standard Life Insurance Company	78,281	1,839,600
Principal Mutual Life Insurance Company	203,779	4,523,547
Provident Life and Accident Insurance Company	321,450	7,544,921
Pruco Life Insurance Company	179,981	4,229,466
Prudential Insurance Company of America (The)	1,196,307	17,575,138
Sovereign Life Insurance Company of California	80,022	1,880,510
Standard Insurance Company	82,185	1,905,511
State Farm Life Insurance Company	96,162	1,945,960
Transamerica Occidental Life Insurance Company	367,446	6,669,198
Travelers Insurance Company (The)	426,788	9,232,187
Union Labor Life Insurance Company (The)	122,341	2,869,966
United American Insurance Company	66,880	1,571,909
United Insurance Company of America	77,690	1,825,707
United of Omaha Life Insurance Company	114,442	2,573,652
UNUM Life Insurance Company of America	114,015	2,677,511
529 other life insurers [b]	4,658,998	104,043,018
Totals for life insurers	$14,882,410	$318,274,298 [c]
Totals for fire and casualty insurers	28,731,198	677,965,159 [c]
Totals for title insurers	542,592	12,872,015 [c]
Totals for all insurers	$44,156,200	$1,009,111,472

[b] Each having a total tax of less than $1,400,000.

[c] Retaliatory taxes of $2,781,919 for fire and casualty insurers, $2,504,503 for life insurers and $121,091 for title insurers have been included in the assessments by company.

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1987 AND 1988 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1986 business		Assessments on 1987 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	765	$620,081,313	790	$677,965,159	9.3%
Life	719	266,689,723	720	318,274,299	19.3
Title	27	12,756,978	24	12,872,015	0.9
Subtotals	1,511 [b]	899,528,014 [b]	1,534 [c]	1,009,111,472 [c]	12.2
Ocean marine	51	153,794	53	215,150	39.9
Totals	1,562	$899,681,808	1,587	$1,009,326,622	12.2%
Adjustments:					
Deficiency assessments	311 [d]	21,549,525 [d]	244 [e]	80,211,280 [e]	—
Refunds and cancellations	21	1,547,265	9	151,883	—
Net adjustments	332	20,002,260	253	80,059,397	—
Grand totals	1,894	$919,684,068	1,840	$1,089,386,019	18.5%

[a] Includes self-assessments and board assessments against companies licensed to write insurance on California risks.
[b] Includes 181 returns that reported no premiums liability and 174 retaliatory tax assessments totaling $5,305,395.
[c] Includes 181 returns that reported no premiums liability and 156 retaliatory tax assessments totaling $5,407,513.
[d] Includes 171 assessments by the State Controller in the amount of $717,498.
[e] Includes 131 assessments by the State Controller in the amount of $668,874.

INSURANCE TAX

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911–15 TO 1988 [a]

Year of assessment	Number of assessments [b]	Gross premiums tax rate (percent)	Taxes assessed on premiums [c]	Local property tax credits allowed	Taxes assessed on underwriting profits: ocean marine [d]	Total taxes assessed
1	2	3	4	5	6	7
1988	1,250	2.35	$1,089,170,869	—	$215,150	$1,089,386,019
1987	1,207	2.35	919,530,274 [r]	—	153,794	919,684,068
1986	1,196	2.33	798,065,972	—	149,821	798,215,793
1985	1,182	2.33	655,697,936	—	85,824	655,783,760
1984	1,174	2.33	584,542,259 [f]	—	66,928	584,609,187
1983	1,144	2.33	460,219,302 [g]	—	183,981	460,403,283
1982	1,106	2.35	472,705,232	—	225,083	472,930,315
1981	1,064	2.35	448,622,737	—	145,962	448,768,699
1980	1,065	2.35	429,479,576	—	100,375	429,579,951
1979	1,038	2.35	396,871,905	—	144,456	397,016,361
1978	1,008	2.35	363,665,780	—	74,843	363,740,623
1977	984	2.35	299,712,880	— [h]	37,018	299,749,898
1976	967	2.35	248,537,130	$17,840,567	23,124	230,719,687
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,308	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [i]	4,979,745	38,516	85,532,580 [i]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [j]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1951–1955	3,971	2.35	173,274,339 [k]	7,373,849	488,856	166,389,346 [k]
1946–1950	3,790	[l]	101,734,147	4,178,399	454,383	98,010,131
1941–1945	3,400	[l]	58,111,232	5,777,662	139,007	52,472,577
1936–1940	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–1935	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–1930	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921–1925	2,129	2.60	20,170,810	1,460,622	—	18,710,188
1916–1920	1,664	2.00	7,257,013	272,834	—	6,984,179
1911–1915	1,490	[m]	3,893,525	169,848	—	3,723,677

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 156 retaliatory tax assessments and 291 returns that showed no tax liability, of which 181 were for life, casualty, and title insurers, and 110 for ocean marine insurers.

[f] Includes $43,872,613 in 1984 and $50,262,105 in 1985 assessed against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

[g] Refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976 have been deducted.

[h] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976, see Chapter 938, Statutes of 1975.

[i] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[j] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice, one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[k] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[l] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[m] The gross premium tax was first enacted in 1911 at a rate of 1.50 percent on premiums collected in 1910. The rate was raised to 1.75 percent in 1913 and 2.00 percent in 1915.

(ELECTRICAL) ENERGY RESOURCES SURCHARGE

TABLE 34—ENERGY RESOURCES SURCHARGE REVENUE, 1974–75 to 1987–88
(In thousands of dollars)

Fiscal year	Revenue
1	2
1987–88	$36,942
1986–87	35,142
1985–86	34,824
1984–85	34,432
1983–84	32,131
1982–83	30,729
1981–82	30,994 [a]
1980–81	23,817 [b]
1979–80	19,022 [c]
1978–79	18,066 [d]
1977–78	17,670 [e]
1976–77	13,989
1975–76	13,250
1974–75	1,885 [f]

[a] Effective September 1, 1981, the tax rate was increased to $0.0002 per kilowatt hour, the maximum allowed under the law. The surcharge was permanently set at the maximum authorized rate in September 1982.

[b] Effective September 1, 1980, the tax rate was increased to $0.00016 per kilowatt hour from $0.00015. Effective March 1, 1981, the rate was increased to $0.00019.

[c] Effective September 1, 1979, the tax rate was increased to $0.00015 per kilowatt hour from $0.0001.

[d] Effective September 1, 1978, the tax rate was reduced to $0.0001 per kilowatt hour from $0.00014.

[e] Effective September 1, 1977, the tax rate was increased to $0.00015 per kilowatt hour from $0.0001. Effective March 1, 1978, the tax rate was reduced to $0.00014. Effective January 1, 1978, purchase of electrical energy from the United States government or its agencies used in California became subject to the surcharge.

[f] This tax became effective January 1, 1975 at a rate of $0.0001 per kilowatt hour on the consumption of electrical energy in California.

TABLE 35—EMERGENCY TELEPHONE USERS (911) SURCHARGE AND (MOORE) UNIVERSAL TELEPHONE SERVICE TAX REVENUE, 1978–79 TO 1987–88

(In thousands of dollars)

Fiscal year	Emergency telephone users surcharge [a]	Universal telephone service tax [b]
1	2	3
1987–88	$40,529	$11,702 [d]
1986–87	40,985	42,627 [c]
1985–86	34,437	83,707
1984–85	30,178	57,637
1983–84	25,356	
1982–83	23,057	
1981–82	20,052	
1980–81	15,759	
1979–80	15,142	
1978–79	14,069	
1977–78	8,747	

[a] This tax became effective July 1, 1977 at the rate of 0.5 percent on the charges for intrastate telephone communication services. Every service supplier is required to collect the surcharge from the service user at the same time billings for services are collected.

[b] This tax became effective July 1, 1984 at a rate of 4 percent on the gross revenues received by each designated service supplier in California from intrastate telecommunications service.

[c] Effective July 1, 1986, the tax rate was reduced to 1.5 percent.

[d] Effective July 1, 1987, the tax rate was increased to 4 percent. Administration of this tax was transferred to the Public Utilities Commission effective July 16, 1987.

FEDERAL, STATE, AND LOCAL TAX COLLECTIONS

TABLE 36—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1987–88

(In thousands of dollars)

Fiscal year	Federal taxes [a]	State taxes other than disability insurance [b]	Local taxes and ad valorem assessments [c]	Total
1	2	3	4	5
1987–88	n.a.	$37,496,442	$18,484,758 [d]	n.a.
1986–87	n.a.	37,150,402 [r]	16,786,547 [r]	n.a.
1985–86	n.a.	32,756,530	15,638,373	n.a.
1984–85	$85,348,500 [d]	31,191,916	14,325,179	$130,865,595 [d]
1983–84	76,623,643	27,546,937	12,972,704	117,143,284
1982–83	70,893,434	23,762,901	11,630,998	106,287,333
1981–82	71,541,870	23,081,477	10,527,278	105,150,625
1980–81	67,149,915	21,290,825	9,369,680	97,810,420
1979–80	58,873,061	20,558,664	8,525,000	87,956,725
1978–79	49,558,113	17,781,295	7,515,000	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [r]	13,873,801	11,442,000	63,312,844
1975–76	28,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,086,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,098,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,865	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,489,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,356,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,558,227	1,116,063	869,460	5,543,750

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,913,543,000 are included in the figure for 1987–88 but the State's unemployment compensation disability tax, on the other hand, which yielded $1,849,030,000 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes; (2) state-administered local sales and use taxes, whether distributed or withheld by the state as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[r] Beginning with 1976–77 the federal fiscal year runs from October 1 through September 30.

[r] Revised.

GENERAL INFORMATION

PUBLICATIONS OF THE
CALIFORNIA STATE BOARD OF EQUALIZATION

Copies of free Board of Equalization publications may be obtained at any of the Business Taxes field offices listed on page A-50. For information and prices on publications available at cost, write to the California State Board of Equalization, Forms Management Unit, 942879, Sacramento, CA 94279-0001.

PAMPHLETS AT NO CHARGE

No. 1 Sales and Use Tax Law
No. 2 Uniform Local Sales & Use Tax Law and Transactions & Use Tax Law
No. 3 Use Fuel Tax Law
No. 4 Cigarette Tax Law
No. 5 Alcoholic Beverage Tax Law
No. 6 Motor Vehicle Fuel License Tax Law
No. 7 Tax on Insurers Law
No. 8 Private Railroad Car Tax Law
No. 9 Tax Tips for Construction and Building Contractors
No. 10 Energy Resources Surcharge Law
No. 11 Energy Resources Surcharge Regulations
No. 12 Use Fuel Tax for Vendors and Users—Use Fuel Regulations and Analysis
No. 14 Motor Vehicle Fuel License Tax Regulations
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No. 67A Part IIA, Gas & Electric Companies
No. 67B Part IIB, Telephone Companies—Local Exchange Carriers
No. 67C Part IIC, Telephone Companies—Interexchange Carriers
No. 67D Part IID, Telephone Companies—Cellular Carriers
No. 67E Part IIE—Railroad Companies
No. 67F Part IIF—Private Railroad Car Companies (Except Cars)
No. 68 Tax Tips for Photographers, Photo Finishers, and Film Processing Laboratories
No. 69 California Solid Waste and Disposal Site Clean Up and Maintenance Fee Law

INDIVIDUAL COPIES AT NO CHARGE

Sales and Use Tax Regulations *
Uniform Local Sales and Use Tax Regulations *
Transactions (Sales) and Use Tax Regulations *
Motor Vehicle Fuel License Tax Regulations *
Use Fuel Tax Regulations *
Tax Information Bulletin (published quarterly) *
State of California Sales Tax Reimbursement Schedules
Property Tax Rules *
Annual Calendar of Board Meetings
List of Board of Equalization Publications Available to the Public
Taxable Sales in California (published quarterly)
Annual Report of the State Board of Equalization
Hearing Procedures of the State Board of Equalization

PUBLICATIONS AT COST

Business Taxes Law Guide
Property Taxes Law Guide
Business Taxes Audit Manual

IF YOU ARE IN DOUBT ABOUT HOW THE SALES AND USE TAX LAW APPLIES, PLEASE LET US KNOW.

Although the Board staff will provide verbal responses to your questions, you are encouraged to write or visit the nearest Board of Equalization Office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe all the facts.

Effective January 1, 1985, the Board may relieve taxpayers of tax, interest, and penalties where the Board finds that the failure to make a timely return or payment of sales or use tax was due to the taxpayer's reliance on written advice from the Board. This relief is available only when there has been written advice by the Board staff in response to a written request from a specific taxpayer, who described fully the specific facts and circumstances of the activities or transactions for which the advice was requested. (Assembly Bill 3338, Chapter 1728, Statutes of 1984)

* When requesting these items please designate specific regulation, rule, or issue.

CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

District	Board Members—1988	Office Address	Area Code	Telephone Number
First	WILLIAM M. BENNETT	1020 N St., Sacramento 95814	916	445-4081
Second	CONWAY H. COLLIS	901 Wilshire Blvd., Suite 210, Santa Monica 90401	213	451-5777
		From L.A.	213	852-5024
Third	ERNEST J. DRONENBURG, Jr.	110 West C St., Suite 1709, San Diego 92101	619	237-7844
Fourth	PAUL CARPENTER	4040 Paramount Blvd., Suite 103, Lakewood 90712	213	429-5422
State Controller	GRAY DAVIS	300 Capitol Mall, Sacramento 95814	916	445-2636
SACRAMENTO HEADQUARTERS	CINDY RAMBO, Executive Secretary	1020 N St., Sacramento 95814	916	445-6464

California Cities Business Taxes Field Offices	**Office Hours 8-5 Unless Otherwise Listed Below**	**Office Address**	**Area Code**	**Telephone Number**
Arcadia		20 E. Foothill Blvd., 91006	818	350-6401
		From L.A.	213	681-6675
Arroyo Grande		1303 Grand Ave, Ste. 115, 93420	805	489-6293
Auburn	8-12 & 1-5 M thru F	550 High St., Suite 3, 95603	916	885-8408
Bakersfield		525 18th St., 93301	805	395-2880
Bishop	8-12 & 1-5 M thru F	407 W. Line St., Room 3, 93514	619	872-3701
Chico	8-12 & 1-5 M thru F	8 Williamsburg Lane, 95926	916	895-5322
Covina		233 N. Second Ave., 91723	818	331-6401
Crescent City	8-12 & 1-5 M thru F	1080 Mason Mall, 95531	707	464-2321
Culver City		3861 Sepulveda Blvd., Caller Box 3652, 90231-3652	213	313-7111
		From L.A.	213	879-0600
Downey		11229 Woodruff Ave., 90241	213	803-3471
		From L.A.	213	773-3480
El Centro	8-12 & 1-5 M thru F	1699 W. Main St., Suite H, 92243	619	352-3431
Eureka	8-12 & 1-5 M thru F	1656 Union St., Room 119, 95501	707	445-6500
Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hayward		795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Laguna Hills		23151 Moulton Parkway		
Lakewood		4040 Paramount Blvd., Suite 100, 90712	213	421-3295
		From L.A.	213	636-2466
Marysville		922 G St., 95901	916	741-4301
Merced	8-12 & 1-5 M thru F	3191 M St., Suite A, 95340	209	383-2831
Modesto		1020 15th Street, Suite E, 95354	209	576-6360
Nevada City	8-12 & 1-5 M thru F	301 Broad St., 95959	916	265-4628
Oakland		1111 Jackson St., Room 7072, 94607	415	464-0347
Ontario	8-12 & 1-5 M thru F	320 West G St., Suite 105, 91762	714	983-5969
Oroville	8-12 & 1-5 M thru F	2445 Oro Dam Blvd., Suite 3A, 95966	916	534-2359
Palmdale	8-12 & 1-5 M thru F	37925 Sixth St. East, 93550	805	947-8911
Placerville	8-12 & 1-5 M thru F	3441 Placerville Dr., Suite 12, 95667	916	622-1101
Pleasant Hill		395 Civic Dr., Suite D, 94523	415	687-6962
Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
Rancho Mirage	8-12 & 1-5 M thru F	42-700 Bob Hope Drive, Suite 301, 92270	619	346-8096
Redding		391 Hemsted Dr., 96099	916	225-2725
Sacramento		1891 Alhambra Blvd., 95816	916	739-4911
Salinas		21 W. Laurel Dr., Suite 79, 93906	408	443-3008
San Bernardino		303 W. Third St., Suite 500, 92401	714	383-4701
San Diego		1350 Front St., Room 5047, 92101	619	237-7731
San Francisco		350 McAllister St., Room 2262, 94102	415	557-1877
San Jose		100 Paseo de San Antonio, Room 307, 95113	408	277-1231
San Marcos		334 Via Vera Cruz, 92069	619	744-1330
San Mateo		177 Bovet Rd, Suite 250, 94402	415	573-3578
San Rafael		7 Mt. Lassen Drive, Suite B-136, 94903	415	472-1513
Santa Ana		28 Civic Center Plaza, Room 239, 92701	714	558-4059
Santa Barbara		411 E. Canon Perdido St., Room 11, 93101-1589	805	965-4535
Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	423-6683
Santa Rosa		50 D Street, Room 215, 95401	707	576-2100
Sonora	8-12 & 1-5 M thru F	1194 N. Highway 49, 95370	209	532-6979
South Lake Tahoe	8-12 & 1-5 M thru F	2489 Lake Tahoe Blvd., Suite 7, 95705	916	544-4816
Stockton		31 E. Channel St., Room 264, 95201-1890	209	948-7720
Susanville	9-1 M thru F	63 N. Roop St., 96130	916	257-3429
Torrance		690 West Knox St., 90507-0270	213	516-4300
		From L.A.	213	770-4148
Ukiah	8-12 & 1-5 M thru F	620 Kings Court, Suite 110, 95482	707	463-4731
Vallejo		704 Tuolumne St., 94590	707	648-4065
Van Nuys		6150 Van Nuys Blvd., 91401	818	901-5293
Ventura		2590 E. Main St., Suite 101, 93003-2619	805	654-4523
Visalia		111 S. Johnson St., Suite E, 93291	209	732-5641
Woodland	8-12 & 1-5 M thru F	96 W. Main St., Suite 2, 95695	916	662-7331
Yreka	8-12 & 1-5 M thru F	1217 So. Main Street, 96097	916	842-7439
Out-of-State Field Offices				
Sacramento Headquarters		1820 14th St., 95814	916	322-2010
Chicago, Illinois		150 N. Wacker Dr., Room 1400, 60606	312	782-7253
New York, N.Y.		675 Third Ave., Room 520, 10017	212	697-4680
Houston, Texas	(By appointment)	9800 Northwest Freeway, Ste. 108, 77092	713	681-1106

Property Taxes Field Offices			
Eureka (Timber)	1656 Union Street, Room 120, 95501	707	445-6502
Fresno (Assessment Standards)	2550 Mariposa St., Room 2020, 93721	209	445-5305
Hayward (Assessment Standards—Valuation)	795 Fletcher Lane, 94544	415	881-3584
Orange (Assessment Standards)	140 S. Flower St., Suite 101, 92668	714	634-9133
Orange (Valuation)	140 S. Flower St., Suite 102, 92668	714	634-9118
Redding (Timber)	2400 Washington Ave., Suite 210, 96001	916	225-2670
Sacramento (Administration)	1719 24th Street, 95816	916	445-1516
Sacramento (Assessment Standards)	1719 24th Street, 95816	916	445-4982
Sacramento (Timber)	1719 24th Street, 95816	916	445-6964
Sacramento (Valuation)	1719 24th Street, 95816	916	445-2323